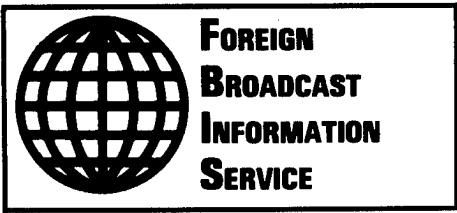


JPRS-CAR-89-070  
6 JULY 1989



# ***JPRS Report***

# **China**

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## GENERAL

### **Trend Toward World Peace Seen in Nineties** 40500459 Shanghai GUOJI ZHANWANG [WORLD OUTLOOK] in Chinese No 5, 8 Mar 89 pp 5-6

[Article by Zhang Jinrui 1728 6855 3843: "World Military Trend in the Nineties"]

[Text] Over the past several years, particularly since the beginning of last year, very big changes have occurred in the international situation. In the political domain, confrontation has turned to dialogue, tension has turned to relaxation, and the possibility of establishing a new order in international politics has appeared. In response to this, the world military trend in the nineties will be a change from strategic offense to strategic defense, a change from the arms race to competition in total national strength, and a change from war to peace.

#### **1. World Military Strategic Structure Will Remain Unchanged**

After World War II, the United States and the Soviet Union became military superpowers, forming a bipolarized world military structure. In the nineties no country's total national strength will enable its military strength to catch up to or overtake that of the United States or the Soviet Union. Therefore, militarily, it will still be a U.S.-Soviet bipolar world. Also, it will be impossible to break the strategic balance of this bipolar world. Even if the United States tries, through the Strategic Defense Initiative (SDI), to obtain military superiority over the Soviet Union, it will be unable, for economic, technological, and political reasons, to deploy the SDI system in this century, and the Soviet Union will be conducting vigorous research on its own SDI system. New members could be added to the "nuclear club," becoming the sixth and seventh nuclear countries, thereby increasing the danger of war, but the overall situation of peace and development will be unaffected.

#### **2. The Nature of NATO and the Warsaw Pact Will Change From Offensive to Defensive**

Europe is the place where the essence of capitalism is, and it is the key to control of the world. Thus, it was here that the two world wars broke out. As a result of World War II, Europe was divided. Since that time, the United States and the Soviet Union have made Europe the focal point of their strategies. For a long time NATO and the Warsaw Pact—two great military blocs—have been in a saber-rattling posture in which massive forces have confronted each other. However, since the beginning of 1987, flexibility has appeared in this confrontation. The United States and the Soviet Union signed the intermediate-range missile treaty, and the European Economic Community and the Council of Mutual Economic Assistance established diplomatic relations, thereby greatly relaxing the European situation and opening new prospects for the two sides to cooperate in various aspects in

the future. In particular, the disarmament proposal made at the summit conference of Warsaw Pact countries became the focus of world attention. The proposal is divided into three stages of talks and troop cuts. In the first stage, the problem of achieving a rough balance of power in number of troops and conventional arms between the two great military blocs will be solved lowering the existing level of each side. In the second stage, each side's troops will be cut by 25 percent and, at the same time, the weapons with which these troops are equipped will be cut. In the third stage, there will be further cuts in the number of troops and conventional arms, so that the armed forces of the two sides will take on a strictly defensive nature. The proposal declares to all the Soviet Union's good faith in being willing to carry out unbalanced disarmament and on-site inspections. NATO took the proposal seriously. To promote the realization of this proposal, on 7 December of last year at the UN General Assembly, Gorbachev announced that the Soviet Union had decided to cut 500,000 troops within 2 years, including withdrawal of 6 tank divisions from Eastern Europe and dismantling of the corresponding military installations. Following progress in the joint building by East and West of the "European House" project, NATO and the Warsaw Pact would gradually take on a defensive nature.

#### **3. The United States and the Soviet Union Will Further Cut and Destroy Arms**

After World War II the United States and the Soviet Union both made contention for military superiority their strategic means for achieving hegemony. Therefore, even if they signed several treaties limiting weapons, the speed and scale of their arms race was alarming and unprecedented. The nuclear forces they possess are sufficient to destroy the earth several dozen times over, thus seriously threatening world civilization and mankind's existence. However, beginning in 1987, U.S.-Soviet arms control talks, particularly nuclear arms control talks, entered a new stage, namely, that of actually cutting and destroying arms. After the United States and the Soviet Union signed the intermediate-range missile treaty, they agreed in principle to cut offensive strategic weapons by 50 percent. Also put on the daily agenda was the question of cutting conventional weapons. Once the United States and the Soviet Union reach agreement on cutting offensive strategic weapons by 50 percent, cutting conventional forces will become the focus of the next round of talks. Progress on banning chemical weapons has been smooth and, in the not too distant future, it is extremely likely that a comprehensive agreement to ban chemical weapons will be reached. As for the comprehensive nuclear test ban talks, although it may be predicted that there will probably not be a major breakthrough, in the long run the test ban could be gradually achieved by stages and steps.

The main reasons that the U.S.-Soviet arms control talks, particularly the nuclear arms control talks, have entered the stage of actual cuts and destruction are the

changes in U.S. and Soviet nuclear strategies, the restrictions of economic factors, the impetus of the new technological revolution, and the development of theories of disarmament (like the theories of nuclear winter, of nuclear deterrence, of arms control, and of rational sufficiency). However, reaching any disarmament agreement will be a process of complex, intensive, and long bargaining.

#### **4. The United States, Soviet Union Cool Off "Hot Spots" in Their Contention for Important Strategic Points**

After World War II, to dominate the world and prepare for war, the United States and the Soviet Union extended their rivalry to the Third World, contending for important strategic points in order to complete their global strategic deployments. In particular, when Brezhnev was in power, he made use of the U.S. global withdrawal and, raising the banner of national liberation, launched a comprehensive, powerful offensive against the U.S. sphere of influence, causing in the seventies in the U.S.-Soviet contention for hegemony a situation of the latter being on the offensive and the former being on the defensive. In this offensive the Soviet Union tried to gain control of the important strategic points in the Third World, so as to complete its outflanking and enveloping of Western Europe. Because the Third World was basically controlled by the United States after the war, every step of the Soviet Union's advance shaved a layer of fat from America's body, and thus the struggle between the United States and the Soviet Union for important strategic points become more and more fierce. America's and the Soviet Union's shadows were behind the Afghanistan war, Cambodian war, Iraq-Iran war, the Middle East wars, southern African wars, and Central American wars.

However, since last year there has appeared a tendency toward relaxation and solution in the above-mentioned "hot spots." Some hot spots are already not hot, and it is expected that by the end of this century all of the above-mentioned hot spots will be cooled off. Some secondary hot spots—like the antagonism of the Maghreb countries over the Western Sahara issue, the dispute between Turkey and Greece over Cyprus and the continental shelf, the dispute between Ethiopia and Somalia over the Ogden Territory, the contradictions between Libya and Egypt and between Mozambique and South Africa—are within sight of reaching rational solutions.

The above-mentioned military trend is the prelude to great changes in the 21st century. Its appearance is not fortuitous, but has profound strategic, economic, and technological reasons.

First, there are the changes in strategic environment. Before World War II, capitalism unified the whole world except for one socialist country. The law of the unbalanced development of capitalism operated the destiny of war and peace. After the war the socialist camp emerged.

Capitalism and socialism have been engaged in a trial of strength for more than 40 years, and the question of which will vanquish which has not yet been settled. Not only is imperialism not "on its deathbed but will not die," but it has become more vigorous. After becoming powerful and prosperous for a time, socialism is now like a boat moving against the current with insufficient horsepower. The two systems are in a state of balance. Facts prove that by using the method of class struggle and war one side cannot vanquish the other. Therefore, they must seek "one world with two systems," long-term coexistence, and peaceful competition. At the same time the rise of the Third World has caused the superpowers to lose control of world affairs. The international coordination of the heads of the seven Western countries has weakened the effect of the law of the unbalanced development of capitalism on the issue of war and peace. The interdependence of capitalist countries and socialist countries, of developed countries and developing countries, has become a reality.

Second, there is the influence of national security strategy. It was formerly thought that the source of the threat to a nation's security was external military attack, and that the means of dealing with this threat was military force. The importance of arms in protecting national security was always stressed. Under the circumstances in which there have occurred changes in the trends of the contemporary era, the threat to a nation's security is not just military; rather it is a threat of a total nature that includes military, political, economic, scientific and technological, social and psychological factors. The source of the threat is not just external; it is also internal. Internal economic, political, food, and spiritual crises can threaten a nation's security. Particularly when internal and external crises appear in conjunction, a fort is most easily breached from within. Therefore, the means used to deal with the threat must also be comprehensive, that is, the comprehensive use of military, political, economic, scientific and technological, social and cultural forces to insure national security. Under these circumstances, the United States, the Soviet Union, and other developed countries have begun to work to build a comprehensive security strategy. It may be predicted that in the nineties and even in the 21st century there will be great tests of strength between comprehensive security strategies.

Third, there is the conditioning of economic factors. Economics is the foundation of politics, military affairs, science and technology, culture, and diplomacy. Only with a developed economy can the support of the people be obtained and victory in international competition be won. Economic backwardness is the greatest threat to national security. Therefore, no matter whether it is a developed country or a developing country, it will formulate a strategy for development of the national economy and concentrate its main manpower, material resources, and financial resources on developing the economy, striving either to ascend into the ranks of the developed countries or to catch up with the "train of the

times" in the 21st century. At the same time, because of the trend for the world economy to become an organic whole and because the contemporary world will be facing five major crises (in water resources, food, natural resources, ecology, and international economic order), when countries develop their economies, competition and cooperation will run in parallel.

Fourth, there is the acceleration effect of the new technological revolution. The vigorous rise of the new technological revolution has accelerated development of all domains of society. Scientific and technological progress can spur economic and military affairs and can also accelerate economic and military modernization. As a result of military modernization, armed forces are changing from the "quantitative type" to the "qualitative type." In particular, the appearance of nuclear weapons has made people realize that a big nuclear war not only "cannot be fought" and "cannot be won," but even a big conventional war cannot be fought, because it could trigger a big nuclear war that would engulf mankind. Therefore, Clausewitz's famous dictum "war is the continuation of politics by other means (namely, force)" is in a certain sense already outmoded.

The above-mentioned trend certainly does not mean the coming of a "three withouts" world (a world without armed forces, without weapons, and without wars). All countries will prize even more excellence in their armed forces, and will enhance the technical and quality building of their armed forces, so as to be prepared for any contingency and achieve a state of preparedness that averts peril.

**Regional Economic Bloc With Hong Kong, Taiwan Urged**  
40050541 Shanghai GUOJI ZHANWANG [WORLD OUTLOOK] in Chinese No 7, 8 Apr 89 pp 19-21

[Article by Yang Jiemian 2799 3381 0517: "A Suggestion for China/Asian-Pacific Economic Cooperation (3)"]

[Text] People are becoming increasingly interested in economic cooperation among Mainland China, Hong Kong and Macao, and Taiwan (hereafter called as the "three Chinas") in addition to the other important players in Asian-Pacific economic cooperation, Japan and ASEAN. The issue of trilateral Chinese economic cooperation was raised much later than that of the Asian Pacific. In the 1960's and 1970's, because of widely known factors, relations between Mainland China and Taiwan were still antagonistic. The future of Hong Kong was uncertain. There was nothing to talk about in terms of trilateral economic cooperation. In the past year, however, there have been fundamental changes in the political situation. Trilateral economic contacts have abruptly increased. Personnel interchanges are commonplace, and, therefore, how to arrange and promote development and trilateral economic cooperation has naturally become an issue. Overseas Chinese were the first to make various proposals and suggestions. We can divide

the discussions of those at home and abroad into two major categories: One is economic cooperation among the "three Chinas" of Mainland China, Hong Kong, and Taiwan, and the other is the broader proposal of a "Chinese Economic Community."

#### A Chinese Economic Community

At the end of 1986 Hong Kong convened an international discussion on the Economic and Social Development of the Chinese People. At the end of 1987 Taiwan also held a discussion on the Development Experience in Regions Where There Are Chinese Communities and the Future of China. An American economist of Chinese commerce, Guo Zhuyuan [6774 4554 0954], proposed following the example of European countries and creating a "Great Chinese Economic Community" to include Taiwan, the mainland, Hong Kong, and Singapore. Mei K'o Wang [2734 0668 2598], president of Tunghai University in Taiwan Province, proposed creating a "Council of Great Chinese Countries" to include Taiwan, the mainland, and Singapore as the three main official members, while Chinese communities around the world numbering more than 50,000 could become nonvoting members, such as Hong Kong, the Malaysian Chinese Council of Malaysia, and Chinese communities of the United States. Gao Xijun [7559 1585 0971], professor of economics at the University of Wisconsin in the United States and editor of the Taipei monthlies T'IENT HSIA [THE WORLD] and YUEN CHIEN [THE LONG-TERM VIEW], proposed establishment of an "Asian Chinese Community" to include the mainland, Taiwan, Hong Kong, and Singapore. Other scholars at home and abroad favored a "Confucian Cultural Economic Group" or an "Economic Sphere of Cultures That Use Chinese Characters."

Structures based mainly on the same race or same nationality are difficult to actualize. Even now, if one were to create an organization based on nationality, it would be a reflection of feudal patriarchy in the narrow sense. Moreover, it might be rejected by the parties concerned. The Chinese leadership clearly holds a negative attitude in this regard, and Singapore's opposition is even more readily apparent. Singapore seeks "Singaporean consciousness." There are many nationalities in the country itself, and as a city-state, it cannot help harboring suspicions about neighboring states. Singapore's Premier Lee Kuan Yew has pointed out many times that relationships between his country and Mainland China can be only economic, and the Chinese people will not be a factor in them.

There is a huge Chinese society in Southeast Asia, but it is wishful thinking to include Southeast Asian Chinese. There are 100 disadvantages and no advantages. They prove decisive in the local economies, although they often have no political power. Some countries still adopt certain restrictive policies regarding Chinese, severely limiting personnel who may visit China. They are even

stricter with regard to managing capital flow. Under such circumstances, mention of a Chinese community can only have negative consequences.

As for Taiwan, it has an obvious political motive. While propagating "Taiwan style" [development] on the one hand, its short-term goal with regard to the mainland is promoting the "Taiwan experience." Taiwan's authorities capitalize on relatively quick economic development, intending to resist the political threat of the mainland with as many economies of Chinese people (naturally encompassing market economies) as possible. At the same time, by doing so, it can remedy a deficiency in its lack of formal diplomatic ties to other Southeast Asian nations.

#### **Economic Cooperation Among the Three Chinas**

People at home and abroad are talking about Chinese trilateral economic cooperation. Professor Cheng Kun-yao [7115 0981 5069], chairman of the Asia Research Center of Hong Kong University, believes that the United States will lose its former role as the "locomotive" of the world economy. Joint economic leaders, including the EEC led by West Germany or the United States-Japan-China bloc, may replace it. In August 1988, at a scholarly symposium in the United States, Chen Yicun [7115 2011 2625], chairman of the Taiwan Institute of the Chinese Academy of Social Sciences, advocated enhancing economic cooperation among the three Chinas of the mainland, Hong Kong, and Singapore, and trilateral economic interchange, as well as a concerted effort to handle various external challenges.

People generally feel that close three-China economic cooperation creates advantageous political conditions in line with Mainland China's policy of opening to the outside world, Taiwan's liberal policy toward the mainland, and Hong Kong's imminent return to China. Taiwan's and Hong Kong's domestic markets are really small. They face the threat of international trade protectionism and lack natural resources. Their industries have mounting difficulties, and their labor supplies are limited. As a way out of its long-term trade deficit, a lot of Taiwan joint ventures in particular are locating overseas. Comparing mainland economic development with Hong Kong and Taiwan, as luck would have it, many parties seek to make up the other's deficiencies. The mainland has many rich mineral and energy resources, as well as being an enormous market in itself. It must renovate and upgrade its technology and equipment. It also lacks resources. It is precisely in these respects that Taiwan and Hong Kong excel. Furthermore, the mainland lacks experience in developing an externally oriented economy, and its administration and management are relatively backward. At times, advanced Western nations' experiences are unsuitable because of Mainland China's special circumstances and the many differences between Chinese and Western cultures, mores, language, and thought patterns, as well as a corresponding lack of

broadly understood advanced administration and management techniques. On the other hand, exchange between Taiwan and the mainland is extremely convenient. Because the three can provide what the others lack, can mutually cooperate, and bring into full play the efficiency of economies of scale, we must further promote the future development of a trilateral Chinese economy.

At the outset, cooperation among the three should be limited to the economic sphere, seeking common ground while reserving differences, proceeding in an orderly way, step by step. Actually, the daily increasing economic exchanges will greatly add to personnel, information, and other such contacts among the three major Chinese players. Moreover, they also require that political relations strengthen so as to ensure normal economic functioning as the three coordinate exchanges regarding institutions, laws, customs, and taxes.

Trilateral Chinese cooperation will also encourage Asian-Pacific economic cooperation to move in a healthy direction. While people continue to explore concrete regional economic cooperation mechanisms in the Pacific circle, they are studying more concrete implementation of cooperation mechanisms. Considered in global terms, more and more regions are considering cooperation on secondary regional bases, such as the "Northeast Asian Economic Bloc," the "Yellow River Economic Bloc," ASEAN, etc. If cooperation among the three Chinas comes to pass, then the Asian-Pacific region will have a relatively complete regional economic arrangement. Furthermore, people's fears about Japan will diminish because there will be a counterweight. Thus Asian-Pacific peace and security will be further ensured.

#### **Several Suggestions**

China should actively participate in preparations for various tentative Asian-Pacific cooperation mechanisms. China occupies an important place in the Asian Pacific. It is very possible that it will let slip a golden opportunity if it is overly cautious and indecisive in these issues. With regard to Great Britain on the matter of joining the EC, it was initially haughty, but later respectful. It has not yet taken a passive stand on the matter, and this is not the only example history teaches. In addition, if we limit ourselves to introducing and appraising various proposals made abroad, rather than concentrating our efforts on making our own suggestions, then by starting at the end of the game we will have lost our hand.

We must fully utilize academics and draw on collective wisdom. Some worry that convening a broad three-China conference may arouse suspicions and misgivings on the part of neighboring states. Actually this is not so, as a scholar's opinion should merely represent the individual. We should not seek unanimity and bind our own

thinking due to the misunderstandings of certain foreigners. Moreover, China's international stature has improved greatly in the past decade of reform, so we will not create misunderstandings. Speaking in extreme terms, for more than two decades Japan has steadfastly propagated and discussed Pacific economic circle cooperation under conditions of rather unfavorable public opinion, so China can all the more naturally explore various possibilities for Asian-Pacific cooperation. However, we must avoid speaking in generalities, whether tentatively considering Asian-Pacific cooperation mechanisms or the feasibility of cooperation among the three Chinas. We should gradually go deeper and become more specific. For example, we must make specific suggestions regarding mechanisms like finance, energy resources, technology transfer, industrial mix transformation, culture, travel, education, and personnel training. It is not enough to rely on academics alone to accomplish this. We must depend on the joint efforts of government, actual work departments, and academia. It is unfortunate that until now research reports from the Chinese side have been less detailed than Japan's May 1980 "Final Report on the Concept of Pacific Basin Cooperation."

It is even more necessary to point out that economic contacts will not necessarily lead to national reunification. Despite the passage of time, economic, cultural, personnel, and other relations between East and West Germany are still far and away broader and deeper than those between the mainland and Taiwan, even though, at least in the near term, unification of East and West Germany will not happen. Therefore, we should give some consideration to and take action on broader and deeper issues while beginning with economic matters.

We should consider the overall picture and lead macroeconomically. At present, economic contacts between the mainland and Hong Kong and Taiwan have become rather close, so we might establish authoritative overall macroeconomic planning and coordinating mechanisms. Likewise, we should also prepare for rainy days and foster talent as soon as possible, stressing use of middle-aged and young talent and honest and astute cadres. In addition, the existing domestic Taiwan and Hong Kong research and teaching organizations are far from meeting demand. I suggest that the departments concerned get ready now rather than acting too late once the time is at hand.

## SOVIET UNION

### Soviet Principle of 'Reasonable Sufficiency' Described as Parity 40050555

[Editorial Report] The Chinese-language Beijing journal SHIJIE ZHISHI [WORLD AFFAIRS] No 9 of 1 May 89 pp 9-10 carried an analytical piece by Zhou Aiqun [0719 1947 5028] on Gorbachev's principle of "reasonable sufficiency." The author's conclusion is that under the

new principle, the Soviet Union will seek military parity with the United States and maintain military strength at the lowest possible, purely defensive level.

Comparing the principle of "reasonable sufficiency" with Soviet military policies of the past, Zhou Aiqun sees three differences:

1) "Reasonable sufficiency" is purely defensive in nature. Zhou notes that according to Soviet Defense Minister Yazov, "reasonable sufficiency" calls for military opponents of equal strength to pare down their military capabilities to a level at which each side has only defensive capability and no offensive capability.

2) "Reasonable sufficiency" calls for a low level of parity. The author notes that the history of the arms race has demonstrated that as soon as either the United States or the Soviet Union gains an advantage in a particular aspect, the other side will hurry to catch up. The result is that the arms race is always escalating and world peace and stability are seriously threatened. Under the principle of "reasonable sufficiency," the author notes that the Soviets still seek parity in military strength and capability but that they stress that parity should be attained at the lowest possible level.

3) "Reasonable sufficiency" is to be determined by a fairly flexible yardstick. While the author notes that the Soviet Union has yet to come up with a clear pronouncement on the concrete indicators of "reasonable sufficiency," he interpolates three ways in which it can be determined, based on the statements of Soviet military leaders and articles on the subject in Soviet periodicals. Zhou says that the main indicator would be the armaments and military activities of the other side. He cites Yazov's comments: "The degree of 'reasonable sufficiency' will be determined by the actions of the United States and NATO." "The Soviet Union does not seek military superiority; but it also will not allow anyone to gain superiority over it." A second determinant of "reasonable sufficiency," says the author, would be a country's military needs as determined by the international environment. One would have to look at how tense the international political and strategic situation was, the likelihood of military conflicts and wars of various magnitudes, and the degree of international and regional military threat posed by a potential invader. A third determinant, says Zhou, would be the degree to which a country's economy can bear the defense burden; in other words, how far a country's economy can satisfy national defense needs without hurting overall national economic growth.

The author warns that the principle of "reasonable sufficiency" by no means signifies that the Soviet Union will abandon its emphasis on military strength or neglect the construction and development of its military forces. Zhou points out that, on the contrary, Gorbachev has clearly indicated that "the party has not for a minute



slackened its efforts to continue to strengthen the military forces" and that the major objective of Soviet national defense from now on is to ensure the quality of its military forces through scientific and technological improvements. Thus, says Zhou, we can expect that the Soviet Union will continue to maintain a military strength capable of countering a NATO offensive and commensurate with its economic strength and status as a superpower.

According to the author, the Soviets are now acting in accordance with the principle of "reasonable sufficiency" as manifested in two ways:

- 1) The Soviets are reducing the quantity of their military forces. Zhou cites Gorbachev's announcement on 7 December at the UN General Assembly that the Soviet Union will unilaterally reduce its conventional forces in Eastern Europe within 2 years and the announcement in February by a Soviet arms control negotiator that the Soviet Union will reduce its short-range missiles from 1,600 to 88 to equal the number deployed by the West.

- 2) The Soviets are improving the quality of their military forces. This is to ensure their readiness for combat although the forces are being reduced overall. The author

observes that they are doing this by: increasing research in military S&T, developing a wide variety of new weapons, and perfecting the C<sub>3</sub>I system; trying to make the ranks of the military leadership younger, more knowledgeable, and more expert; reorganizing the composition of their troops so that they will be smaller, more diversified, and more versatile in their assignments; and improving their training techniques and their preparedness for combat.

Zhou sees three constraints on the Soviets in implementing "reasonable sufficiency." The first is the United States. A second constraint is that Soviet military forces internally disagree on the theory of "reasonable sufficiency" and some elements even oppose the idea. A third constraint, says Zhou, is that it will not be easy to fundamentally change a military policy that has for years emphasized enormous conventional forces and an offensive strategy. Finally, the author points out that many military officers are worried that drastic cuts in military personnel will threaten their own personal benefits as well as the perks that the military forces have traditionally enjoyed; thus many are unhappy with the idea and put up passive resistance.

**Beijing Bookstore 'Barometer' of Political Climate**  
40050478 Hong Kong CHENG MING  
[CONTENDING] in Chinese No 138, Apr 89 pp 14-15

[Article by Xiao Chong 2556 0394: "Bookstore Struggles To Stay Open Despite Official Harassment"]

[Text] There are two popular conversation topics among Beijing intellectuals these days. One is the effort by two groups of intellectuals to collect signatures in support of Fang Lizhi's [2455 0536 0037] proposal—"A Letter to Deng Xiaoping"—in which he demands that political prisoners be freed. Because of this letter, Fang Lizhi was prevented by public security personnel from attending the banquet in honor of President Bush. The other topic is the closing of Dule Bookstore.

**Twice Closed Down Suddenly**

Every intellectual in Beijing has heard of Dule Bookstore. Not only is it a product of reform, the first collective bookstore in Beijing to be given wholesale rights, but it is also a victim of reform. It has twice been a target of anticapitalist purges.

Someone from the publishing circle in Beijing told this writer that Dule Bookstore had been dogged by misfortune from the start. Since it opened in late 1984, it has been closed down twice. In neither case was it notified formally in writing. Not once did a single unit come out and assume responsibility for the closing. Nor was any explanation given. It is all very baffling. The order to close and rectify came suddenly and was rescinded just as suddenly. That way a collective bookstore became a mirror of the nation's political climate. They say that the weather is unpredictable and fortune or misfortune can befall a person suddenly. They are absolutely right.

**Founder Is a Young Woman**

Dule Bookstore is a product of reform. Under the Chinese Communists' ossified publishing system, readers in Beijing have long found it hard to buy books, even as numerous publishing companies also have difficulty selling books. What was urgently needed was a new bridge bringing together buyers and sellers and creating a new book market. Responding to the needs of the time, Dule Bookstore was born. Its founder is a young woman named Yu Yansha [0060 3601 5446] who was only 21 at the time. Dule Bookstore emerged amid very trying circumstances. She had little funds and faced obstacle after obstacle. However, it became a sensation in Beijing, and a formidable challenge to the state-run Xinhua Shudian, as soon as it opened.

**Closed and Rectified for 8 Months After Being Open for 8 Months**

In August 1985, 8 months after it opened, Dule Bookstore was suddenly notified verbally by the department concerned that it would be "closed for rectification."

The party's "anti-spiritual pollution campaign" fizzled out in 1983. In 1984, popular tabloids became a hit across the nation. In early 1985, the CPC began a nationwide crackdown on them. In the summer of the same year, the crackdown was extended to other publications; SHENZHEN QINGNIANBAO was criticized and Lanzhou's XIBU CHENBAO was ordered to close.

Reports say that Dule Bookstore was "closed for rectification" for distributing the inaugural issue of QINGNIAN ZIXUN [YOUTH INVESTIGATION], published by ZHONGGUO QINGNIANBAO. The issue carried two articles considered by the authorities as having "a low moral quality" and "unhealthy contents." In August, it was heard that QINGNIAN ZIXUN itself was suspended. It was also rumored that Dule was closed because it distributed KAITUO [PIONEERING], a magazine which ran the article "The Second Kind of Loyalty" by Liu Binyan [0491 6333 7159] [a noted dissident]. KAITUO too was ordered to stop publication after the first issue.

Both QINGNIAN ZIXUN and KAITUO were open, legal publications. Dule was not the publisher in either case and should not be held responsible for their content. Under the contracts signed by the bookstore and the publishers, the bookstore was responsible for distribution only, not content.

Be that as it may, misfortune still visited the bookstore. Not only was it closed and rectified, it was also fined 15,000 yuan. Wherever she went, Yu Yansha asked, "Why?" But in a society not governed by laws, nobody gave her an answer.

Later, nobody even told her whether or not she could resume business. And so the case dragged on for 8 months. Because of this long closure, the bookstore was stuck with books and magazines worth 140,000 yuan and suffered direct losses amounting to 80,000 yuan. Moreover, many subscribers demanded refunds because they did not receive books and magazines in time, a direct blow to the bookstore's reputation. Meanwhile the units involved revoked its wholesale right.

**The Struggle To Reopen**

A famous poet told Yu Yansha, "Life is totally hopeless. This is what I want to tell people in my poetry." But she said, "I must fight on. Not for the bookstore, but for the right of Beijing's 300 collective and individual bookstores to exist." She pointed out, "What we need is not complaints, but action. Change will come about only if everybody acts." For this she became engaged in an endless round of arguments with various party and government organs and ran into many difficulties. She encountered indifference as well as sympathy and support.

After 8 months, the spring of 1986 arrived. It may be that God was moved by Yu Yansha's struggle. Or that China's political situation had changed. (People in China's cultural community said that 1986 was the year when they had the most intellectual freedom.) On 4 April, the CPPCC of Beijing municipality called a special meeting to "solve the problem of the existence of Dule Bookstore and ease the difficulty of buying and selling books in Beijing." Only then was Dule Bookstore allowed to resume business. But the road ahead remained bumpy.

### **The Second Rectification and XIN QIMENG [THE NEW ENLIGHTENMENT]**

In this way a tiny private bookstore was swept into China's political maelstrom and became a barometer of the country's political climate.

In late February 1989, the Chinese Communists again closed the bookstore without giving any reason. This time around there was no public statement saying that it had been closed for rectification. Instead, it put a sign outside the locked door with the words, "internal repair."

Quoting informed Chinese sources, a foreign press agency reported that Dule Bookstore was closed because Fang Lizhi delivered a speech there the month before.

My Beijing friend, however, told me that Fang Lizhi was certainly a factor, but even if he had not made a speech there or been there at all, the bookstore would not have been spared its latest misfortune. As in the first instance, its major sin was that it distributed a new publication, XIN QIMENG, that happened to incur the displeasure of the CPC.

### **Why Is the CPC Afraid of XIN QIMENG**

The CPC is scared of XIN QIMENG because it represents a new political force involving a group of well-known figures, both inside and outside the party, who have liberated thinking and have crossed swords with the party politically in recent years. These people are becoming less and less intimidated by the party.

The Chinese Communists' counterattack against XIN QIMENG did not begin with the "repair" of Dule Bookstore.

In the fall of 1988, Wang Yuanhua [3769 0337 0553], a scholar and former director of propaganda under the Shanghai CPC committee, launched a new magazine (series) called XIN QIMENG to commemorate the 70th anniversary of the May 4 movement. In late October, Wang Ruoshui [3769 5387 3055], Yu Haocheng [0060 3185 2052], Li Honglin [2621 3163 2651], Ge Yang [2047 2254], Ruan Ming [7086 6900], Zhang Xianyang [1728 7359 2254], Jin Guantao [6855 6034 3447], and Shao Yanxiang [6730 3601 4382] went to Shanghai to

take part in a seminar—"Modernization and the New Enlightenment"—at Shanghai Normal University, which was convened and presided over by Wang Yuanhua. Among Shanghai participants were Pan Weiming [3382 4850 2494], a former director of propaganda under the Shanghai CPC committee who was ousted during the antibourgeois liberalization movement in early 1987, Wang Ruowang [3769 5387 2598], a writer who was expelled from the party in the same movement, and Qin Benli [2953 2609 4539], editor in chief of SHIJIE JINGJI DAobao.

This merging of forces, bringing together scholars and writers from north and south, both inside and outside the party, showed signs of starting a revolution outside the party committee (instead of under the unified leadership of the CPC.) The response of the authorities was to go on high alert and order a news blackout of the meeting. All these scholars and writers are concerned about the country and people, a fact recognized by people at home and abroad, but their courage to speak up and tell the truth has not been welcome by the CPC. The policy of the party has always been to keep the people ignorant in order to preserve one-party dictatorship. The pursuit of economic reform while firmly rejecting political reform is a product of such a mentality. Yet these scholars and writers now want to start a new enlightenment to reawaken the people. This is a threat to the CPC's one-party dictatorship and absolutely must not be tolerated.

The first issue of XIN QIMENG came out in early December. Its chief editor was Wang Yuanhua and the publisher was Hunan Jiaoyu Chubanshe [Hunan Education Publishing Company]. Apart from Wang Yuanhua's "In Defense of the May 4 Spirit," it carried articles by Tong Dalin [4547 1129 2651], vice chairman of the Structural Reform Commission, and such famous writers as Ruan Ming [7086 6900], Liu Xiaobo [0491 2556 3134], and Xu Jilin [6079 4764 7207]. The postscript minced no words, "What gives theory life is bravery and sincerity, the refusal to submit to power, the refusal to curry favors. We work hard to be conscientious, constructive, and innovative and to open up a new field of exploration. We firmly reject all empty talk, falsehoods, and lies." All this was a thorn in the side of the party and a challenge to its authority.

### **Why Hit Out at Dule Bookstore?**

Seventy years ago, China launched an enlightenment movement, the May 4 Movement. Since then, the Chinese people have succeeded in driving the imperialist powers from China (thanks, in part, to the CPC) and eliminating bureaucratic capitalism. But feudalism, one of the three big mountains that weighed heavily on the heads of the Chinese people, in Mao Zedong's words, and the principal target of the May 4 Movement, has gotten steadily stronger after 30 years of communist rule

and protection. Many scholars, therefore, believe that there is a need for a new enlightenment to eradicate feudalism and clear the way for China to enter modernization.

However, the Chinese Communist authorities were very hostile to this event, which was good for the nation, and tried to obstruct and control it. This is why domestic media were mostly silent on it. Scholars had no choice but to make their own publicity.

On 28 January, they held a seminar at Dule Bookstore to mark the publication of XIN QIMENG. There were dozens of participants, including Wang Ruoshui, Su Shaozhi [5685 4801 2535], Yu Haocheng, Zhang Xianyang, Li Honglin, Shao Yanxiang, Wu Zuguang [0702 4371 0342], Yu Guangyuan [0060 0342 6678], Ruan Ming, and Fang Lizhi. Reportedly the top leaders of the party considered this an "illegal meeting" held behind their back.

Thus Dule Bookstore was saddled with the crime of "providing a site for illegal activities." Reportedly it was also at that meeting that Fang Lizhi's letter to Deng Xiaoping first became public knowledge. Hence the signature campaign by intellectuals in mid-February.

Dule Bookstore got sucked into "political activities" accidentally. Will the latest round of "internal repair" also take 8 months?

**Remnants of Cultural Revolution Still Exist**  
40050514b Beijing XIN GUANCHA [NEW  
OBSERVER] in Chinese No 7, 10 Apr 89 pp 17-18

[Article by Shu Zhan 5289 1455: "Badges and Other Things"]

[Text] Beijing's Wangfujing is China's window. There, just recently, I saw some people wearing Mao Zedong badges. They were wearing the red star cap of the PLA [People's Liberation Army], carrying grass-green knapsacks on their backs, and wearing footwear that resembled puttees. They mingle with the people gallantly. Worse yet, on those caps were pinned a dozen or so badges.

How people dress is up to the individual. There is no need to make a fuss. Even if someone chooses to wear badges of the leaders all over him, he is free to do so; no one has the right to say otherwise.

But the following scene is still bizarre:

In the popular tourist spots of some large cities, people are selling *Quotations from Chairman Mao*, annotated by Lin Biao, from the Cultural Revolution era. A multitude of publications left over from the Cultural Revolution and other little red books of all sorts are being sold at high prices. And they are selling well.

I do not know if the vigilant "scholars" who regard intellectuals as heretics and who are devoted to their own YANLUN ZHAIPIAN [SELECTED OPINIONS] have written anything about the above-mentioned phenomenon, and if they have, I wonder about the outcome.

Mr Wang Li [3769 0500], author of *Harrowing Tribulations, Abiding Love*, which was published at the end of the Year of the Dragon, was interviewed at length from his sick bed. I do not know if the "scholars" of YANLUN ZHAIPIAN have said anything about it, and whether they agree or disagree with him, or perhaps they simply do not care. I do not know if propaganda is being prepared and discipline being sent down, advising people not to argue over (much less criticize) Wang Li's interview or to confer with Wang Li, or if they intend to limit the number of articles that criticize Wang Li, and so on. In short, I do not know what the attitude is.

YANLUN ZHAIPIAN reflects clearly what those "scholars" love and hate. What they are sensitive or insensitive to and what they are diligent or derelict about are governed by the political viewpoints of their nerve center.

In 1980, the central government issued clear instructions: "There have been too many portraits of Chairman Mao, Chairman Mao quotations, and poems in public places. They are expressions of political disrespect. They hurt our image in the international community. Henceforth, we should limit such expressions. Chairman Mao badges should be withdrawn and put to other uses so as not to waste metal."

It has been 8 years. I never thought that we would witness once again this strange phenomenon so harmful to our international image. I do not think the central government's instruction should be implemented by the scrap procurement and recycling stations; it really should be the duty of the Propaganda Department. Should there be a review of the implementation procedure?

Furthermore, I have doubts about the term "leading comrades of the central government," which I think is special and yet very vague. For example, Mr Wang Li said that an important leading comrade of the central government had told him to study the topic, "How the Central Party Committee Has Developed Marxism-Leninism Since the Third Plenary Session of the 11th Central Committee." He also said that the same important leading comrade of the central government also made the following evaluation of him in December 1981: "His stand is correct; his attitude is positive; he is well versed in theory, a superb writer, and is an asset to the party."

Does this represent the party's assessment of Wang Li? Are these high praises genuine? What is Wang Li's motive for publicizing them 8 years later? Do "stand" and "attitude" refer to Wang's lifelong stand and attitude or just during the Cultural Revolution or to what he

has come to know of himself since the Cultural Revolution? Has Wang Li made any mistakes? During the interview, Wang said, "my mistakes and the party's mistakes are intertwined." So his mistakes became the party's mistakes, and the party's mistakes became his mistakes, and questions concerning him concern state secrets, and therefore whether and when they should be revealed will depend on how it would affect the interest of the state and the people. Thus, we are in a position only to find out about Wang Li's glorious revolutionary history, and we have no right to question Wang Li's mistakes. It looks like a leading comrade of the central government, actually an important leading comrade of the central government, has passed final judgement on Wang Li prematurely, even "before the lid is on his coffin."

Even though only a few dozen comrades in China can be called leading comrades of the central government, the line is not clearly drawn, and there can be misunderstandings. Each day, these leading comrades attend to state, political, and party affairs as well as other social activities. They travel to different parts of the country and express opinions on different matters. Their personal opinions (especially on academic, art, and literary issues) do not necessarily represent the central government's opinion. Their opinions can be published in the newspaper and quoted in public by anybody, any time, anywhere, to anybody, and for any reason to satisfy the goal of glorifying any individual at the expense of the party.

Thus, as a citizen and an ordinary party member, I suggest that we refrain from using, or drop, the term "leading comrade of the central government." We simply attribute the opinion to the person by name. This will make politics more open, so that the party members and the citizens can learn more about the political standards of each "leading comrade of the central government" and understand better the party's basic line and the two basic points.

As for the badges and people like Wang Li, because of the sober and democratic decision of the central government, like summer smoke and fleeing clouds, they are transient and will vanish soon.

**'Tolerance' Advocated for Intellectuals and Others**  
40050514a Beijing XIN GUANCHA [NEW  
OBSERVER] in Chinese No 7, 10 Apr 89 p 17

[Article by He Dian 0149 0368: "From 'Hu Qiaomu on Tolerance' To Other Thoughts"]

[Text] On 14 March, RENMIN RIBAO published an article entitled "Hu Qiaomu on Tolerance," which intrigued many intellectuals.

I still remember when, in 1986, the head of the Central Committee's Propaganda Department advocated "leniency, tolerance, and generosity," and how it

instantly brought a breath of fresh air to ideological and cultural circles. Unfortunately, good times do not last, and in the spring of 1987, amid the "New Year's reflection," leniency, tolerance, and generosity were severely criticized, both inside and outside of the government. Although the critics were few in number, they were powerful and prominent and spoke with such grandiloquence: leniency, tolerance, and generosity lead to a flood of liberalism; we must once again try to bring order out of chaos.

After the head of the Propaganda Department who urged leniency, tolerance, and generosity left his post, for a while, nobody dared say any more about the concept. Even when talking about the environment and atmosphere necessary to nurture science and culture, people tried as much as possible to use words such as "democracy," "unity," "harmony," and "accord." And that became the unwritten rule. But the truth is, "leniency, tolerance, and generosity" had not died, despite the severe criticism. A correct ideological viewpoint can never be banished by crude and unjustified denunciations. As a principle that reflects the people's objective needs, this idea never ceased to stir the people's hearts despite repression. Soon, words like "leniency," "tolerance," and "generosity" began to appear in the newspaper again. But perhaps because people thought that it was just a part of reform and opening up, or because the spokesmen were less than authoritative, that effort did not make much of an impact. But this time is different. "Hu Qiaomu on Tolerance"—the headline takes on life of its own; the people cannot ignore it. Of course, if this article had been published 2 years ago, it would have created even greater repercussions.

Hu Qiaomu said, "our government and ruling party should be more tolerant and supportive of our scientists." He maintained that, "politicians have power in their hands, and it is difficult for them to admit that they are wrong. When they measure events and things around them against their standards, some things may measure up while others may not. Under the circumstances, they must try to be tolerant." After all the trials and tribulations of the last 2 years, I find that, because this discussion is attributable to a leader who is in charge of the nation's ideological work, it is the more precious, more significant. True, when politicians express their opinions about a theory or a literary or art issue, sometimes they are right, and sometimes they are wrong—this has been proved by facts over the last several decades. Since "politicians have power in their hands and it is difficult for them to admit that they are wrong," what should we do? Should we not be lenient, tolerant, and generous toward intellectuals? Should we be strict, intolerant, and mean? The answer is obvious: we should be "tolerant." This is the minimum requirement of all politicians. Recently, in its "Several Suggestions on How To Bring Greater Cultural Prosperity," the Central Committee pointed out that: "Literary and artistic issues should be discussed, studied, and explored by the writers and the artists themselves, and they should try to find answers in

their literary and art works. The party organizations and government organs should not interfere." "The party's leading organs should respect the characteristics and laws of art and literature and should not meddle or interfere with literary and art works or academic issues." "The personal opinion of a leader about a certain art or literary work expressed as a reader or spectator need not be regarded by the writer or artist as a direct order." These suggestions manifest the spirit of tolerance. They aim to create a social environment of tolerance where the artists, writers, and scientists can concentrate on their creation and research.

Comrade Hu Qiaomu also said, "To achieve this kind of tolerance, we must be prepared to do one thing: even if we think that a certain opinion is wrong, we have to recognize its right to exist." This is not just leniency and tolerance, it is generosity. Whether an idea is correct should not be judged by one person but should be decided after fair discussion. You may criticize an opinion if you think it is wrong. The person being criticized may counter those criticisms. The purpose of engaging in counter criticism is to defend "the right to exist." No one should be allowed to use his authority to suppress criticisms or counter criticisms. When discussing academic and theoretic issues, it would violate the principle of fairness and equality and infringe on the right to exist of those ideas that are being criticized if administrative force is used to print hundreds of thousands of criticisms while suppressing the airing of opposite opinions.

The former head of the Central Committee's Propaganda Department talked about "tolerance" when he was in office; a leader who was in charge of ideological work talked about "tolerance" after he left office. The 3-year time span may not have been a coincidence. I believe that if we continue to call for "tolerance," it will take root in the hearts of the people, and it will take root in the hearts of the politicians.

**Concept of 'New Authoritarianism' Rejected**  
40050514c Beijing XIN GUANCHA [NEW  
OBSERVER] in Chinese No 7, 10 Apr 89 pp 18-19

[Article by Xie Yun 6200 7189: "On the 'Flirtation' Between Autocracy and Freedom"]

[Text] In China, in the 1980's, some people are advocating the so-called "new authoritarianism." This is indeed bizarre. But, wait, let us hear one advocate's explanation.

According to Comrade Wu Jiaxiang's [0702 1367 4382] "Commentary on the New Authoritarianism," what is so new about this idea is that "it is autocracy based not on depriving individual freedom; rather, authority is used to smash obstacles that block the development of individual freedom in order to protect individual freedom." This sounds good, but what about democracy? Sorry, it will have to step aside for now. First, we must allow "autocracy" to "flirt" with "freedom" before democracy can "unite in marriage" with freedom. This is a little

disappointing, but the future still looks promising. But, even before we could applaud the idea, we can hear the drumbeat of the dual challenge of logic and history.

What is individual freedom? Ordinarily, this refers first to what the constitution has recognized as the citizen's political rights of freedom of speech, of the press, of assembly, of association, of procession, and of demonstration. The idea that this kind of freedom can be guaranteed by the so-called "new authority" is in itself a contradiction. If the people have all the rights mentioned above to criticize and oppose certain decisions made by the "new authority," then the "new authority" cannot possibly be the kind of authority demanded by its advocates. If the "new authority" prohibits people from exercising their rights of criticism and opposition, it will be the end of individual freedom; the "new authority" can only mean autocracy.

Perhaps because he was trying to find a way out of this dilemma, the advocate went on to explain that, "emphasizing individual freedom, in fact, is advocating economic freedom." But to conclude that "individual freedom" is "economic freedom" is to deprive "individual freedom" of its essence; it is but a ploy to switch concepts; it is a disgrace. Moreover, if the people are stripped of their political freedom and democracy, how can we guarantee that the "economic freedom" shielded by this "new authority" will not turn into freedom for some people to "plunder the economy"? The advocate has run into a brick wall, not the way out.

As for the cheap trick of letting "autocracy flirt with freedom" and abandon democracy, we already had a brief encounter—during the Cultural Revolution. At that time, authority indeed had an affair with freedom at the same time democracy was being trampled to the ground. But after the smoke clears, the people are able to see clearly that it was not romantic love, but that autocracy had raped freedom and freedom was enslaved to authority. What awaited freedom that rebelled against autocracy were cold manacles and a dark prison cell or even a butcher's knife at the throat. At the end, only "autocracy" or "authority" had unlimited freedom. There was no "individual freedom."

Freedom and democracy are twins; they were born together; they grew up together; they walk through the thorns of autocracy together, side by side. If we abandon democracy, we will be killing freedom, too.

In Wu Jiaxiang's explanation, one can easily discern a strange attitude toward democracy: One may come to think that democracy is a demon that wreaks havoc, that there can be no order, no peace, and no authority with democracy, that democracy is but a heap of garbage, and that democracy means inefficiency, weakness, ineptness, and the loss of authority. In short, one may think that democracy and authority are mutually exclusive—with authority, there can be no democracy. The Chinese people have never had a taste of capitalist democracy nor

have they really experienced a fully developed socialist democracy. This fear or contempt for democracy could not have come from practice; rather it must have come from traditional prejudices of several thousand years of autocracy.

Actually, when has democracy ever rejected authority? What it rejects is the kind of selfish individual authority that allows men to rule over men. But legitimate authority and authority that permits the rule of law can be founded on democracy. When the advocate expounded on the meaning of "new authoritarianism," he never said one word about legitimate authority. In fact, he proclaimed that this new idea "emphasizes not political, but leadership, authority." It cannot be more clear. Despite the new look, the so-called "new authority" is in body and soul nothing but the personal authority of the lord and master. The evolution from rule by the lord and master to rule of man has not been blocked out by the Great Wall. The Chinese people still remember as if it were yesterday the calamity brought by this kind of authority. There is simply no way they can pay homage to this authority. I have another question for the advocate: In order to achieve this "new authoritarianism," do we write off in one stroke the various articles, such as "all power in the People's Republic of China belongs to the people," in China's Constitution that pertain to democracy, and the existing system of the People's Congress that has been incorporated into every level, and all the efforts pertaining to the development of socialist democracy and construction of democratic politics?

As we look at the world around us, we can see the surging tide of prodemocracy movements. It matters not whether the individual authority that alienates democracy and legal system was founded on the bayonet or on some heroic feat, or superstition, or whatever (for instance, the bayonet plus superstition, or heroic feat plus superstition plus the bayonet), one after another, autocratic governments have tumbled from the pinnacle of power, or they are tottering precariously. Like fallen petals and flowing water, they will soon be gone. Depostic rule and iron hand politics have reached the end of the road. The advocate may assert that today, in China and around the world, the "new authoritarianism" has "taken off" in dawn's early light. Probably it is but an illusion. More likely, this mighty eagle that was born at the wrong time has met its death before it is fully hatched.

#### **Report on Condition of Present, Former 'Political Prisoners'**

##### **'Beijing Spring' Activists**

40050508 Hong Kong MING PAO YUEH KAN [MING PAO MONTHLY] in Chinese No 280, Apr 89 pp 8-9

[Article by reporter Lin Cuifen 2651 5050 5358: "Present Condition of Well-Known Chinese Political Prisoners."]

[Text] Yang Jing [2799 7231] will be released this April, and Liu Qing [0491 7230] too will soon be set free. But

what about Wei Jingsheng [7614 0079 3932], Wang Xizhe [3769 1585 0772] and others?

Although spokesmen for the Chinese authorities have said in unison that there are no political prisoners in China, Ren Wanting [0088 3979 3957], an activist in the "Beijing Spring," the democratic movement of the 1970's, has argued that, "although the concept of 'political prisoner' does not exist in Chinese law, people convicted of 'counterrevolutionary' crimes under the Chinese penal code are in fact political prisoners by international standards."

Ren Wanting was imprisoned for 4 years, between 1979 and 1983. Since his release, he has gone back to work as an accountant in his old unit. As far as he knows, there are 12 political prisoners incarcerated in Beijing and elsewhere on the mainland. Eight of those were his compatriots in the "Beijing Spring" movement of the 1970's. Of the other four, one is a student and three are workers; all were arrested for participating in the student movement in the winter of 1986.

When interviewed by reporters from this journal, Mr Ren, who is now living in Beijing, talked briefly about the condition of the 12 prisoners. By his calculation, Yang Jing should be released this April and Liu Qing will be freed in November of this year. Who will share their sorrow? What is left of their lofty sentiments of the by-gone days?

**Wei Jingsheng**, worker, 39 years old, sentenced to 15 years imprisonment for committing counterrevolutionary crimes.

As for Wei Jingsheng's current condition, there are many rumors. Some say that he has gone insane. Others say that he has died in prison. What is the real situation? In March of this year, the head of the Reform-Through-Labor Administration Bureau of the Ministry of Justice in China said that, when convicted in 1979, Wei Jingsheng was sent to prison in Beijing to undergo reform through labor. In 1984, he was transferred to a prison somewhere in the northwest. He came down with altitude sickness when he first arrived. The prison authority has treated him in a humanitarian way according to the law, and other than suffering from gingivitis, he seems to be in better physical condition than before.

The official also said that the general principle of reform through labor is "reform first, production second." For many years, China has maintained this same principle of reform for all criminals. And they have tried patiently to reform and educate Wei Jingsheng in accordance with that principle. Rumors of cruelty towards Wei Jingsheng are pure nonsense.

He said that Wei Jingsheng not only has own room in prison but there is also an exercise room, and because the weather in the northwest highland is unpredictable and it can be cold at night, Wei even has a heater in his cell.

There is a well-equipped clinic within the prison compound, and the sick are attended to promptly. There is also a library stocked with political, economic, literary, and law books as well as other technical and scientific reading materials, and the prisoners are free to read and borrow them. Wei Jingsheng likes to read novels.

Another official from the Reform-Through-Labor Administration Bureau of the Ministry of Justice indicated that despite having spent 10 years in prison, Wei Jingsheng has so far refused to reform and has shown no sign of repentance.

**Xu Wenli** [1776 2429 4539], 45, Beijing resident, originally a worker for the Railway Bureau. In 1981, he was accused of collaborating with Wang Xizhe to form the "United Alliance for Peace and Democracy," even though in fact it was not a formal organization at the time. He was sentenced to 15-years in prison for counterrevolutionary crimes. In 1985, he wrote his autobiography while in prison and was criticized again—his wife has been barred from visiting him since.

**Liu Qing**, 39, a polytechnic school graduate from the Nanjing Construction School. He was assigned to Hanzhong in Shaanxi Province to work as a technician. In 1980, he was convicted of counterrevolutionary crimes and was sentenced to 3 years labor re-education. Later, for publishing the long essay, "Look Back in Dispair," 5 more years were added to his sentence. He will be released in November of this year.

**Yang Jing**, about 40 years old, Beijing resident, factory worker. In 1981, accused of publishing the democratic journal, *ZE REN* [RESPONSIBILITY], and of leaking secret documents verbally, he was convicted of counterrevolutionary crimes and was sentenced to 8 years in prison. He is incarcerated in Beijing No 1 Prison and is expected to be released about 8 April of this year. Yang is married, his wife and children are permitted to visit him once every two months.

**Wang Xizhe**, Guangzhou resident. He was convicted along with Xu Wenli and was sentenced to 14 years imprisonment in 1981.

**He Qiu** [0149 3061], Cantonese, resident of Guangzhou, arrested and imprisoned in 1981 for running the democratic publication, *ZE REN*.

**Xu Shuiliang** [1776 3055 5328], Nanjing factory worker, an active contributor to *ZE REN*. He was convicted of committing counterrevolutionary crimes in 1981 and was sentenced to 10 years in prison.

**Huang Xiang** [7806 5046], more than 45 years old, a worker from Guiyang, Guizhou. He founded the "Enlightenment Society" and published the democratic journal, *QIMENG* [ENLIGHTENMENT]. He was a well-known Democracy Wall poet in Beijing in 1979. In

1987, he attended a literary symposium at Beijing University. Reportedly, he was arrested upon returning to Guiyang and was sentenced to 3 years in prison.

The above eight people were involved in the Democracy Wall incident in Beijing in 1979 and later imprisoned and are still incarcerated today.

Four others were arrested after the student demonstrations in the winter of 1986. They include Tianjin's Nankai University student, Lin Jie [2651 0267], and three other workers from Nanjing, Guiyang, and Chongqing.

#### Authors of *Li Yizhe Dazibao*

40050508 Hong Kong MING PAO YUEH KAN [MING PAO MONTHLY] in Chinese No 280, Apr 89 pp 9-10

[Article by reporter Xie Ping 6200 1627: "Current Condition of the Authors of *Li Yizhe Dazibao*."]

[Text]*Li Yizhe Dazibao* refers to a big character poster posted at Beijing Road in Guangzhou during the era of the gang of four (on 7 November 1974.) The original title was *On Socialist Democracy and Legal System*, with a subtitle, "Dedicated to Mao Zedong and the Fourth People's Congress." The essay contained 20,000 words. It was one of the most popular articles among the mainland intellectuals since "Where is China Heading" was published in *SHENGWULIAN* in the 1960's. After the big character poster went up, hand-copied and mimeographed copies soon circulated around the country. It created a furor both inside and outside of the government.

*Li Yizhe Dazibao* consisted of two parts. The first part was the foreword. It emphasized self-criticism of ideology and line. In particular, it analyzed with realism the despotic rule of the proletariat class and the recent changes in the class system. The second part consisted of suggestions. It made six major demands and urged the Fourth People's Congress to accept them as a part of the constitution to protect the people and curtail special privileges.

Less than a month after the *Dazibao* was published, (on 3 December 1974) the CPC published an article that carried the signature, "Xuanjiwen"; it accused *Li Yizhe Dazibao* of maliciously attacking Mao Zedong, Mao Zedong Thoughts, and the CPC Central Committee led by Mao Zedong, of vigorously advocating a bourgeois liberal democratic legal system, and of attempting in vain to assemble monsters and demons [class enemies of all kinds] to stir up the masses and re-enact the "Hungarian Incident" in China. Subsequently, Li Yizhe and the other authors were attacked, and, among them, Wang Xizhe was the most strong-willed and thus was subjected to the most serious attacks. He is still in prison. The following is the current condition of the four:



**Li Zhengtian** [2621 2973 1131] In May 1978, while in prison, Li Zhengtian went on a 5-day hunger strike to protest his 4-year imprisonment without a trial. At the end of that year, the *Li Yizhe Daozibao* case was redressed, and Li Zhengtian was released. Subsequently, he returned to his teaching job at the Guangzhou Art Institute, devoting himself to the study of philosophy, psychology, and sociology. In February of this year, Li Zhengtian petitioned President Yang Shangkun and lodged a complain against Guangdong Provincial Party Committee Secretary Lin Ruo [2651 5387] for violating his freedom of speech and urged that Wang Xizhe be pardoned on the National Day on the 40th anniversary of the PRC. He also participated in the signature drive organized by intellectuals pleading for amnesty for the "political prisoners."

Upon release from prison, Li Zhengtian married the daughter of a high-ranking cadre. They have one daughter.

**Wang Xizhe** Released from prison at the end of 1978 after the *Li Yizhe Daozhebao* case was overturned, the highly educated Wang Xizhe continued to participate in

democratic movements and social activities in earnest. In April 1981, accused of "counterrevolutionary" crimes, he was arrested and sentenced to 14 years imprisonment. He is incarcerated in the Huaiji County Jail in Guangdong Province. His wife, Su Jiang [5685 3068], and a 13-year old son visit him twice a year. It is learned that, tormented by repeated imprisonment and disappointed by unsuccessful appeals, Wang is in a state of utter hopelessness; his hair has turned white.

**Chen Yiyang** [7115 0001 7122] Rehabilitated and released from prison at the end of 1978, Chen is working in the library of Guangdong Province's Social Science Academy. He said that working in the library gives him a chance to read more books. In recent years, he has devoted himself to the study of philosophy and metaphysics and has stayed away from social activities. He got married upon being released; he has a son.

**Guo Hongzhi** [6753 1347 1807] He is living a quiet life after being released from prison and seldom participates in social activities. Recently, because of a malignant brain tumor, he can no longer work; he is recuperating at home.

## NATIONAL AFFAIRS, POLICY

**LIAOWANG Condemns Widespread Corruption**  
*HK0805073589 Hong Kong LIAOWANG [OUTLOOK]  
OVERSEAS EDITION in Chinese No 17,  
24 Apr 89 pp 16-18*

[Article by Bao Yonghui 0545 3057 6540, Hu Xiaohan 5170 1321 3352, and Tian Wenxi 3944 2429 0823: "China Puts Forth Efforts To Bring Corrupt Phenomena Under Control"]

[Text] Corruption has become a chronic malady in Chinese society. It exists in children's employment, hospitalization, consultations with doctors, assessment of the title of a technical or professional post, transfers, promotions, and everywhere, and the public in China can be heard everywhere censuring and even cursing these corrupt phenomena. The high-level leaders of China have come to understand the seriousness of this problem, and they have formulated a policy decision to step up the building of honest government and to eliminate corruption.

### Various Manifestations of Corruption

On the Chinese mainland, the most universal manifestations of corruption are the malpractices of giving dinners and gifts, offering and accepting bribes, and blackmail committed by state working personnel. According to the statistics of departments concerned: The procuratorial system of the whole country has investigated and handled cases of graft and accepting bribes over the past 8 years, totaling some 120,000 cases. From 1980 to 1988, party disciplinary actions were taken against 7,560 CPC members in Guangdong Province for committing graft and accepting bribes, and many of them were the leading cadres at and above the county and departmental levels. The personnel of a county in Hunan Province went to Beijing to approach a certain department for a little support, and from 1986 spent 10,000 to 30,000 yuan to buy gifts for them. This county also sold several freight cars of high-grade oranges to state organs of the central authorities at a very low price every year, and the price difference was completely paid with the county's financial subsidy.

Spending public funds on extravagant eating and drinking has been a corrupt malpractice rather prevalent on the Chinese mainland in recent years. Now, many places in the mainland must indulge in extravagant eating and drinking in doing everything, and eating and drinking is necessary in the discussion of a project of an enterprise, in the starting of a project, in the appraisal of a product, and in the sale of a product. A young county party committee secretary of a certain county said that he had once held 28 welcoming and farewell parties in only 6 days and that at noon on a single day in February 1987, he received seven groups of visitors. He had to drink a cup here and another cup there. The county party secretary of a poor county told the reporters that the

financial revenue of the county was less than 3 million yuan each year, but that some 1 million yuan was spent on receptions, eating, and drinking each year. He said with a wry smile that it was not useless to spend this 1 million yuan on eating and drinking, because the financial subsidy and investment of some 6 million yuan could be obtained from the state in return each year. How should this account, after all, be calculated?

What is more deplorable is that some places and enterprises in China are unfolding keen competition with each offering bribes, so that the value of a gift becomes higher and higher, the scope in which a gift is to be given becomes wider and wider, and the bribe receiver's desire becomes greater and greater: From special local products at the very beginning to industrial products; from general industrial products to durable consumer goods; from durable consumer goods to a bundle of bank notes; and now it doesn't work to give bank notes but to give gold and silver ornaments. While China is carrying out reform and opening up and invigorating the economy, some cadres take advantage of their functions and powers to supply all kinds of undersupplied materials to the individual enterprises operated by their relatives, to evade taxes for these enterprises, or even to privately engage in commerce and run enterprises and to become shareholders without paying any money. This is a new phenomenon of economic corruption that has emerged over the past few years. A party deputy secretary, a deputy head, a police substation political instructor, and an industry and commerce department director of a town in a certain province took advantage of their power to forcibly buy shares of a peasants' gold mine without making any investments or putting in any work, and each of them received a dividend of 7,000 yuan a year.

The corruption that is more serious than extorting and accepting bribes and blackmail in general are some corrupt phenomena emerging politically. The feudal ties of consanguinity and favoritism in some places are even more important than ability. The shadow of "relationship" can be seen in the aspects of the promotion and transfer of officials and the appraisal of the title of a technical or professional post. Although their tenure in office is not long, the director of the communications bureau, the director of the town building bureau, and the manager of the pharmaceutical company of a county in a certain province successively transferred their children, relatives, friends, and related households, totaling more than 10 people, into their departments. The county party secretary said that, due to many years' inbreeding, if the problem of a cadre was investigated and handled, many people would be offended and the work could not continue. Regarding the problem cadre, therefore, big problems were turned into small problems and small problems into no problem at all.

Power outweighing the law and the law being overwhelmed by power is another corrupt phenomenon expressed politically in China. In their own private interest or in the interest of a small circle, some officials

in China use power to overwhelm the law and to hinder law enforcement departments in handling cases. The foreign economic relations commission of a certain city set up a company and as a vice mayor of the city was the chairman of the board of directors of the company; although this company resold undersupplied means of production on many occasions to seek exorbitant profits, it was not dealt with for a long time. When a price inspector went to the company to conduct an investigation, the manager of this company undisguisedly professed: "I am an illegitimate child of the city government, you approach the mayor about the fine."

The corruption in China is not merely expressed in the various forms mentioned above. Nevertheless, judging from the foregoing circumstances, corruption on the mainland has developed to a very serious point and spread to all corners of society, ranging from ministries, commissions, and organs of the central authorities to rural areas; corruption also exists to different degrees in even the most solemn law enforcement organs and units.

#### **The Progress of Reform and Opening Up Is Hindered**

Since the corrupt phenomena have developed to such an extent, they have seriously hindered the progress of China's reform and opening up and the process of achieving the four modernizations.

Certain reform measures cannot be put forth or can hardly meet with the approval of the masses, and one of the reasons is that the masses are worried that after these reform measures are put forth, they will be corroded and hindered by corruption and unhealthy trends. As soon as the plan for reform of the system of the allocation of the university graduates was proposed, it immediately met with universal opposition. The reason was that it was not that the plan for reform itself was irrational, but that the people were worried that once this plan was carried out, the allocation of the university graduates would possibly be influenced by the malpractices of establishing a relationship, getting in by the back door, and taking advantage of power to seek private ends. Many people are now worrying very much about housing reform. Information has been received from some places where housing reform was carried out earlier than in other places: There are many kinds of names of the housing allowance for the leading cadres, some cadres sold to themselves at low prices the houses they had already occupied, and some others rented the houses they "had purchased" at a low price.

Corruption has lowered the degree of trust the Chinese public has in reform as well as their psychological capacity to bear reform, and hence the unstable factors brewing in society. Reform is now at a critical moment at which all types of difficulties are being faced. It is especially important that the upper and lower levels should work with one heart and one mind to tide over the difficulties. Nevertheless, the prerequisite for working with one heart and one mind is to share weal and

woe. However, the present situation is that officials in some places reap big profits when they have big power and reap small profits when they have small power, resulting in resentful feelings and weakening the authority of the party and government. An ordinary cadre told the reporters: "If our party and government appeal to all people throughout our country to retreat one step (this signifies a drop in the living standard) on the strength of their present prestige, many of the masses will definitely not show respect for them. If the officials alone retreat 10 steps first, the common people will possibly retreat one step." Such sayings now prevail in society: "Students are unwilling to study, teachers are unwilling to teach, workers are unwilling to work, peasants are unwilling to grow grain—only officials are willing to be officials." This doggerel should warrant our pondering. According to the investigations conducted by the national federation of trade unions, the workers whose enthusiasm is low or very low now are not in the minority.

The various corrupt phenomena have made it hard for China to establish a rational interests distribution relationship in the course of reform so that reform of the political structure can hardly be formed into a highly efficient political structure and reform of the economic structure and the development of the commodity economy can also hardly create an environment of fair competition. The promotion and transfer of officials is determined to a very large extent by the "background" and "backers"; enterprises and companies must rely on the establishment of a relationship and the giving of gifts in the distribution of materials and sale of products. Chen Shifu, deputy director of the Nantou District Industry and Commerce Bureau, used the power in his hands to allow his son to engage in individual undertakings to monopolize a meat stall market. Where can we find competition under such circumstances? On the contrary, this can only aggravate all forms of unfairness. Corruption, including taking advantage of power to seek personal gain, have practically become a factor which plays an important part in the unfair distribution of wealth in the society of China.

China's reform must not only break with the old order but, what is more important, establish a new order to replace the old order. Such order is established on the foundation of the legal system. However, corruption will render ineffectual the laws already made and will make all regulations and systems forfeit their role. If we cannot eradicate corruption, we can hardly administer our country according to the law and cannot establish a new social and economic order.

#### **How Are the Corrupt Phenomena Created and Spread?**

In China, opinions vary on the emergence of the corrupt phenomena. People impute them to external factors, such as the fact that while opening to the outside world is being emphasized, "flies" may come in; impute them to ideological reasons, such as the fact that it is held that the root lies in the party-member cadres contaminated

by bourgeois ideology; or impute them to the bad qualities of individuals...Although such understanding is somewhat reasonable, their substance has not been touched and they are only criticized sentimentally and condemned morally. To straighten out these corrupt phenomena on this basis, we can hardly work out effective measures to straighten them out. The corrupt phenomena have developed to such a serious point, what is actually the reason?

The present unhealthy trends and corrupt phenomena did not occur suddenly, but are the continuation and development of unhealthy trends from a long period of time. Over the past few years, unhealthy trends have not been curbed, though prohibited, and the corrupt phenomena have not been eradicated, though attempts have been made to eliminate them. Hardly has one gourd been pushed under water when another bobbed up, and this is related to the political and economic structure of China.

At present, China is in a period of transition in which the planned economy is changing to a market-directed economy, and the new and old systems exist side by side. Under such circumstances, the activities of the commodity economy already carried out and the political and economic structures with overcentralized power join together, and this provides a condition for the exchange of money and power and provides soil for the breeding and spreading of corruption. A township enterprise in a certain province is an economic entity established according to the rules of the market. It has no state planned supply of all kinds of materials, and all it uses are raw materials purchased at high prices. To get raw materials at the original prices and to promote sales, the enterprise gives gifts and offers bribes to the senior and junior officials who have the power over the money and materials. According to a worker of the township enterprise, the money that they give to some 20 senior and junior officials each year totals some 180,000 yuan. He said with deep feeling: "The majority of the township enterprises take the same course of development as we. Without unhealthy trends, there are no township enterprises."

Regarding "official profiteering" emerging in the past few years, the price disparities between the planned and unplanned prices and between the negotiated and original prices are utilized to reap staggering profits. Through their power, the "official profiteers" come by undersupplied materials, such as rolled steel, aluminum ingots, and domestic electrical appliances, at the original prices. They add approximately 1,000 yuan to the price for each ton (set), resell several hundred tons (sets), and acquire an exorbitant profit of several hundred thousand to several million yuan. What is more, every word on an instrument of approval on reselling is worth a lot of money, and it implies a price disparity of several tens of thousand, several hundred thousand, and even several million yuan. A company of only three persons in a certain city engaged in reselling textile raw materials. From July 1987 to July 1988 only, they came by profits

of 3.96 million yuan. They used money to bribe those concerned to obtain raw materials at the original prices. Under the attacks of money and materials by the "official profiteers," a number of officials have lost their ability to resist. Therefore, some people said, sighing with emotion: "This means that money is used to buy the power of the communist party and the power of the communist party is used to defraud the communist party of its money."

If the double track system is a hotbed of corruption, the weakness of the restrictive mechanism is the main root of the continuous occurrence of corruption despite repeated prohibitions. In the past, China for a long time used to rely on the methods of moral self-discipline and ideological education to prevent and eradicate corruption and frequently supplemented these methods with a large-scale political drive. Although this played a certain part in checking corruption, it could not basically solve the problem, while the political drive greatly damaged the productive forces. Today, China is not allowed to repeat its previous erroneous methods. Once the political drive, a sharp sword on the people's heads, is cancelled and the effective supervisory mechanism has not been set up accordingly, some corrupt people will be provided with an opportunity to take advantage.

No doubt, the working personnel of some supervisory departments, such as the Discipline Inspection Commission and the Supervisory Department, of China have done a lot of work, investigated and dealt with a large number of corrupt people, and played a certain part in supervision, but they have not checked the spread of corruption. Furthermore, these supervisory organs themselves have not been duly supervised. In Kaifeng where the revered Mr Bao [Bao Zheng (999-1062 AD), magistrate of Kaifeng in the Northern Song Dynasty, well-known for being honest in performing official duties and enforcing the law strictly] handled cases impartially in those years, a department concerned made a spot check on the 181 cases that the Nanguan District Procuratorate and Court of the city had investigated and handled, and it discovered that 13 cases had not been handled impartially, accounting for 7.2 percent of the total number of cases. The main reason was that all this trouble was caused by the network of relationships and trend of intercessions.

The lack of a competitive mechanism in the Chinese cadre personnel system for a long time has resulted in serious corruption, including the appointment of people by favoritism, bureaucratism, sectarianism, and nepotism. "If they say that you are OK, you will be OK, though you are not OK; if they say that you are not OK, you will not be OK, though you are OK." This just reflects the defects of such a cadre personnel system. In 1987, 114 workers were transferred into the industry and commerce bureau of a certain county. Some 60 percent of them were transferred in because upper-level leaders or other units asked the bureau to do them a favor or the bureau wanted to establish a relationship with them.

Moreover, 90 percent of these workers had the educational standard of only a junior middle school. How can the quality of the ranks of cadres of China be improved and how can honesty and high efficiency be ensured in such a state?

#### Not an Incurable Disease

China has not relaxed the eradication of the corrupt phenomena all along and has adopted some measures, like the implementation of the "inner-party political life standard," the second party rectification, the 8,000-people rally of the departments under the CPC Central Committee, and the activities of cracking down on economic crimes, which have played a certain part in checking corruption. However, corruption has not been eradicated; sometimes the corrupt practices continue while they are rectified; and the more they are straightened out, the more serious they become. Consequently, some people become pessimistic and disappointed. Can the corrupt phenomena of China, after all, be straightened out?

The high-level policymakers of China have now attached great importance to checking corruption, and all places throughout the country have also begun exploring for a way to step up building an honest government and to curb the corrupt phenomena. The building of an honest government by "making two things known to the public with one supervising" now being initiated by the leaders of China has played a good part in curbing corruption. Dongcheng District of Beijing issued 1,000 copies of questionnaires and 80 percent of them expressed satisfaction with this work; and Huangpu District of Shanghai also issued 1,000 copies of questionnaires and 95 percent of them were satisfied or basically satisfied with the work.

Last September, Shenzhen City implemented a system of making the income of the party and government leading cadres known to the public. All party and government cadres at and above the bureau level throughout the city make their income known to the public within the stipulated scope every month. The situation of the income of the city party committee standing committee members and vice mayors is made known to the leaders of all bureaus, commissions, and offices and is regularly published by the responsible persons of the city supervisory bureau; the situation of the income of the leaders of the bureaus, commissions, and offices is made known to the cadres at and above the level of departmental deputy of their units. On the notices, the reporters saw the city party committee standing committee members' and vice mayors' wages, wages at the different length of service, allowance for an only child, and other subsidies. The maximum monthly income is 495 yuan, and the minimum is 416 yuan. As Shenzhen City makes the income of the leading cadres known to the public, on the one hand, it will increase the transparency of the income of the official posts and facilitate the removal of the masses' suspicions; on the other hand, it is advantageous to the prevention of the cadres from taking advantage of their power and

influence to seek ill-gotten gains. According to the investigations of 56 units conducted by Shenzhen City, the people universally expressed satisfaction with this.

A "craze for reporting" rose in China in 1988. Since the first reporting center was set up in Shenzhen City in March 1988, the whole country has set some 2,780 reporting centers, which accepted and dealt with some 147,000 cases in less than 1 year. The establishment of the reporting centers is a hallmark that the leaders of China began striving for the masses' assistance to expose and check corruption.

In the course of our interviews, we have come to understand that the people universally hold that there is a good start in the present work of building an honest government, but the burden is heavy and the road is long. The people have also proposed some countermeasures and suggestions on the eradication of corrupt phenomena. They hold that the following several aspects of work should be done well in the near future:

- —Strengthen the role of public opinion supervision.

People concerned consider that the corruption extensively emerging in a society at a given stage must be eradicated through the strength of whole society. It is very necessary that China should break with the traditional conventions that what is inside the party is different from what is outside the party and "domestic shame should not be made public." It is imperative to utilize public opinion, to provide the people with an effective way of supervision, and to disclose and resist all kinds of corrupt phenomena. This is also a fundamental task that must be completed in the long-term building of the system of democratic politics in China.

- Administer the party and officials strictly and step up party-building. Although in the past China called for administering the party and officials strictly, much was said but little done and all policies formulated were not especially implemented very vigorously. The main manifestations were: 1) No one dared to confront the tough. In the past, China used to talk about "killing the chicken to frighten the monkey." The present situation is that the monkey cannot be frightened by killing the chicken. If the chicken does evil, the chicken will be killed; and if the monkey does evil, the monkey will be killed. We cannot kill the chicken only but not the monkey. 2) Not many were investigated and dealt with. The masses reflect that it has been claimed that whatever the number of corrupt persons, they will be eliminated, but this is not so. 3) The cases were not strictly dealt with, a fine was substituted for imprisonment, and a legal sanction was replaced by a disciplinary action. If China can really administer the party and officials strictly, it will surely achieve important results.

- Strengthen the functions of the anticorruption organs. People concerned have proposed that the functions of China's three big anticorruption organs—the discipline inspection commission, supervisory organ, and

procuratorate—should be strengthened. These organs must be relatively independent, must implement the system of vertical top-to-bottom leadership, must not depend on the localities in the aspect of the power over the personnel and monetary affairs, and must avoid intervention by the local party and government leaders so as to deal with the cases independently. At the same time, it must be guaranteed according to the law that the discipline inspection commission and supervisory organ can exercise the four powers of inspection, investigation, punishment, and suggestion. The means of handling cases must be strengthened, and the manpower and expenses of these organs should be suitably increased so they can play the role as the main anticorruption force.

People concerned consider that the foregoing short-term target can play an important role in checking corruption and if it can be attained, very good results will be achieved. In the long run, corruption cannot be fundamentally eliminated because the source of the corrupt phenomena lies in some shortcomings of the current structures of China. To eradicate corruption, it is, therefore, essential to penetratingly carry out reform of the political and economic structures.

While reform of the political structure is being carried out cautiously and smoothly, it is necessary to implement the system of the public servants as soon as possible, to gradually separate the functions of the government from those of the enterprises, to separate the government from commerce, and not to allow government officials to directly control the personnel, money, and property of the enterprises so as to cut off the umbilical cord between officialdom and the market and to eradicate the conditions for graft and bribery. Relevant systems and administrative laws and regulations, such as cadre management regulations and anticorruption laws, must be further formulated and perfected to ensure the honesty of the cadres.

Reform of the economic structure must be further deepened, the development of the market must be put on a sound basis, fair competition must be carried out; public ownership must be reformed and perfected, measures must be worked out to eliminate the defects, and the appropriation of public property for private use must be prevented; the market order must be rectified, the "Company Law" and "Antimonopoly Law" must be formulated as soon as possible, the market economy must be stabilized, and "official profiteering" must be cracked down on and prevented.

**Policy Suggested To Handle Idle Equipment**  
*HK2806053189 Beijing JINGJI CANKAO in Chinese*  
8 Jun 89 p 1

[Article by Chu Xuejun 0328 1331 6511 and Shi Chundong 0670 2504 2639: "A Random Talk on Idle Equipment Amid the Cries of Tightening"]

[Text] An imported machine tool worth 2.5 million yuan in a certain Nanjing factory has lain idle for 9 years.

Another machine tool imported from Germany at a cost of 2.65 million marks has also been out of use for 8 years.

The silicon chip production line imported by a certain Beijing enterprise with the use of \$6.6 million in 1984 is so far still lying dormant in the warehouse.

Also, a factory spent \$14.75 million on an imported high-grade close-tolerance forging machine. There are allegedly only three such machines in the world at present. But in the 7 years since it was imported, there has been a utilization rate of only 10 percent. Most of the time, it has been in mothballs.

The idling of equipment on a large scale can be described as a disease common to our enterprises, especially enterprises owned by all the people. According to rough statistics by relevant departments, the total value of idle equipment in the country at present stands at between 20 billion and 30 billion yuan, accounting for 5-7 percent of the total value of our fixed-asset industrial equipment. Some experts also estimate that existing idle equipment throughout the country would be sufficient to maintain the industries of two provinces.

On the problem of finding a way out for idle equipment in an economic squeeze, these reporters turned to some economists for advice. They consider idle equipment as a "dark horse," or one of the many stimulants to our industrial development. Especially given an economic environment of tightening, activating idle equipment carries greater significance. A squeeze is only intended to lower the abnormal heat of our economic growth at an earlier stage. Putting our economic growth on the orbit of a rational mix with results in mind will switch our economy from expanded reproduction by extension to expanded reproduction by intensification. Therefore, the regulated use of idle equipment cannot be weakened or slowed down. Instead, the effort should be intensified and the pace accelerated.

Now, idle equipment has no longer received just the attention of factory managers of town and township enterprises. They have also attracted the attention of the managers of many large state-run factories. Not long ago, in the newly built Sichuan Provincial Materials Building in Chengdu, the Materials Department, the China Equipment Management Association, and other departments jointly held the first national fair on idle equipment and warehoused mechanical and electrical equipment. During the fair, these reporters noticed that some quite prestigious large enterprises, in a break with normal practice, joined the ranks of buyers. On this, some factories said that buying low-priced idle equipment is an effective way to make up for inadequate capital and to overcome the problem of a monetary squeeze.

Despite this, the current state of regulated use of idle equipment has not given people satisfaction. As far as this fair is concerned, representatives from more than 20 provincial and city materials departments and enterprises showed a great desire for trading, as they had

brought with them more than 700 million yuan worth of idle equipment and warehoused mechanical and electrical equipment. But in four days of trading, the total sales value reached only 35 million yuan or so.

According to statistics from relevant departments, the utilization rate of our existing idle equipment is only around 5 percent.

It can be seen that the potential of our idle equipment is far from being tapped. This also shows that many difficulties are still involved in activating idle equipment. Many problems must be solved.

First, enterprises are not keen on releasing idle equipment. A set of equipment in a certain factory has rusted so as to soon become useless. But when the use regulating department found people in the factory willing to release it, the factory manager in charge said: "It can be taken away. But the original price must be paid. Because this machine was never used, there has been no depreciation. The enterprise does not have the power to lower the price. Moreover, during the period in which I was committed, given no increase in the value of the factory's fixed assets and instead a big decline, I would be hard put to explain the matter to the higher-ups."

On an investigation, these reporters also found that some enterprises were unwilling to release idle equipment because of "preparations for war and for famine." It was feared that if there should be a need for the same equipment, it would be difficult to buy back, financially or otherwise. In addition, for a long time, our large state-run enterprises have relied on appropriated fixed asset equipment from the state without paying anything in return. There has been no pressure, or no great pressure, on enterprises with idle equipment. Moreover, the existing rule governing ranking enterprises is that the more the fixed assets the higher the rating. Therefore, a factory manager would rather let equipment lie idle.

Second, the department, as the link or agent, cannot stand the pressure brought to bear with the channels of circulation blocked.

A new phenomenon exists that more and more individual operators take a hand in the handling of idle equipment. In some areas of Zhejiang, individual shops are all trading in mechanical and electrical types of idle equipment. Whether in the industrial base of northeast China or in the three-line enterprises in high mountains where idle equipment is concentrated, we can see the ubiquitous shadow of individual operators along the coast.

In contrast with the "fever" of individual operators is the "coolness" of the idle equipment regulating departments acting as the main channel. Many comrades having idle talks with these reporters said that they wanted to change jobs and work with other departments. Why? In a word, it was tiring work, with little profit to speak of. They said that individual operators handling

idle equipment can make money. Some make a fortune of 10,000 yuan on one trip. We, on our part, can at most collect some service fees. At times, that little money cannot even cover traveling expenses.

Third, the regulated use of idle equipment has not been put in a normal order. Necessary external conditions have yet to be established.

According to statistics, there are now only five big groups handling idle equipment: The equipment regulating companies or operating and service departments under the equipment management associations of various provinces and cities; the system of machinery companies, including trading centers of individual materials bureaus; bureaus in charge of production factories in various provinces and cities; some relevant collective units; and individual operators. It looks like quite an impressive front. But everyone fights on his own, without a "dragon head." Departments are under unified control. The result is that operation is in a chaotic state. There are too many resales in between, with individuals and groups marking up prices in a rush for the same item. The result is that idle equipment can be priced at a level exceeding its original price.

These reporters heard many factory managers say that when they want badly to dispose of or obtain idle equipment, they are often put in this plight: They do not know who needs the kind of idle equipment they have on hand or who can provide the kind of idle equipment they themselves need. They cannot find a place devoted to idle equipment trading. When they turn to an idle equipment regulating department, they are either confronted with complicated procedures to be completed, or find their immediate needs incapable of being satisfied. They suggest that relevant departments should pay close attention to forming national idle equipment information networks and establish idle equipment regulating markets in various areas.

## PROVINCIAL

### Guangdong Continues Crackdown on Embezzlement, Bribery

HK2606053989 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 23 Jun 89

[Text] Economic criminal cases have increased by a large margin this year. Chief procurators of the people's procuratorates at different levels are now discussing the work of cracking down on economic crimes in Shekou, having decided to continue to concentrate the crackdown on embezzlement and bribery in the second half of the year so as to develop a system for a continuous party and government cleanup and to stabilize the overall situation in Guangdong.

It is estimated that from January to May, the province accepted and heard more than 1,200 economic criminal cases, an increase of 87 percent over the same period last

year, and that 297 economic criminals were arrested according to the law, 73 of whom were party members. It has been learned that the people's provincial procuratorates believe that the provincial work of fighting corruption and bribery has achieved relatively good success but that many major crimes of embezzlement and bribery have yet to be exposed. For this reason, continued efforts will be made to strike heavy blows at embezzlers and those who take bribes in the second half of the year, and particularly to investigate and handle those important and major criminal cases involving party and government cadres.

**Nanjing Builds Technology Development Zone**  
*HK2006045789 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0450 GMT 18 Jun 89*

[Special Feature by Miu Jiaqun 4924 1367 5028: "Pukou High (New) Technology Development Zone in Nanjing Is Under Construction"—ZHONGGUO TONGXUN SHE headline]

[Text] Nanjing, 18 Jun (ZHONGGUO TONGXUN SHE)—The Pukou High (New) Technology Development Zone in Nanjing, whose construction began last September, has now been built to a certain extent. By July this year, the small zones in the first phase will all be completed. At present, the business building and the foreign guest house in the development zone have been used. Four factory buildings with a total floor space of 30,000 square meters have been sold out. Roads, the water supply system, and the electricity supply system have all been put into operation. Inside the development zone, international and domestic long-distance telephone, telex, and facsimile facilities can now also be used. Now, 13 overseas and domestic institutions have begun to develop more than 10 high (new) technological projects, including the laser camera, the microcomputer-controlled soil analyzer, the artificial crystal, small satellite communications system, the optical fiber communication system, and digital-controlled machine tools.

The Pukou High (New) Technology Development Zone is another foreign-oriented economic development zone following the Zhongguancun Development Zone in Beijing and the Caohejing Development Zone in Shanghai. The first batch of projects being developed includes bioengineering, precise chemical industrial, mechanical-electrical integrated projects, special food, new-type energy, and new materials. Projects being developed in the development zone must be strictly selected. Technicians in every enterprise must comprise more than 30 percent of the employees. In the whole development zone, high (new) technological projects must account for more than 40 percent of total output value; and the value of exported products must account for over 30 percent of total sales. In every enterprise, expenditures for development and research must account for more than 2.5 percent of total sales. The development zone has set a high standard for absorbing investment, but it is still very attractive to foreign investors. Xu Huanliang, the

chief engineer of the development zone, explained the reasons for this. He said that in Nanjing, there are 46 institutions of higher learning, 327 scientific research institutes, and 160,000 professionals and technicians. Four-fifths of the high-technology research force and two-thirds of the technological development force in Jiangsu Province are concentrated in Nanjing. The scientific and technological strength in Nanjing is great. The quantity and quality of scientific research results hold a leading place in the whole country every year. Nanjing also has a solid industrial foundation. The petroleum, chemical, electronics, machine-building, and building-materials industries in Nanjing all hold important positions in the whole country. The urban infrastructural facilities are well developed, so the city has great potential for absorbing high (new) technologies and combining technological development with economic construction. Moreover, the Pukou Development Zone is located in a favorable geographic position, and is merely 10 to 20 kilometers away from the city center of Nanjing, the airport, the Pukou Railway Station, and the Changjiang docks. So transportation is very convenient. In 1988, regular cargo shipping services were opened between Pukou and Hong Kong. Therefore, after inspecting Pukou, entrepreneurs and technologists from various countries and Hong Kong and Taiwan agreed that establishing a high (new) technology development zone in Pukou is an ideal option and they hoped that the authorities would spare no effort to build it well.

At present, not only plants in the development zone have been built, but relevant regulations and rules have also been formulated and promulgated. This includes the standards for approving the enterprises opened in the development zone as well as the industrial and commercial management, taxation, financial, credit, and customs regulations and rules in the development zone. For example, it is stipulated that all new enterprises in the development zone are exempted from construction taxes; their experimental products are exempted from taxes; enterprises can fix prices for their new products if the state has not already done so; enterprises can directly hire domestic and overseas technical personnel; and enterprises are given some power to handle foreign trade. In the past 6 months, more than 30 domestic and overseas institutions have submitted more than 100 investment and development projects to the Pukou Development Zone. Through strict appraisal and selection, 19 projects have been accepted and will soon pass the registration procedures. The project of developing an optical and electric tracker and a special camera submitted by Sanli Company jointly established by a Hong Kong company and a research institute in Nanjing has been approved by the Pukou Development Zone, and the new products will soon be produced.

The first phase of the Pukou High (New) Technology Development Zone has an area of 2.27 square kilometers, and 0.5 square kilometers of land has been first used for construction. By 1993, the area of the development



will be expanded to 7 square kilometers in the second phase of construction. In the third phase, the reserve land for special technological items will also be developed.

**Research Institutes Proliferate in Shenyang**  
*OW1506023589 Beijing XINHUA in English*  
0056 GMT 15 Jun 89

[Text] Shenyang, June 15 (XINHUA)—Non-governmental research institutes have sprung up like mushrooms and made a great number of achievements in Shenyang, capital of Liaoning Province, over the past five years.

An official from the city's Science and Technology Committee said there are now 748 non-governmental research institutes in the city, with a total staff of 14,000.

The city's first non-governmental research institute was established in 1984.

These institutes are either collectively or individually owned.

Their research subjects cover machinery, chemicals, energy and metals, as well as medicine, chemical fertilizers, bio-engineering and computers.

According to the official, non-governmental research institutes have made 950 scientific and technological achievements in the past three years.

Surveys show that 80 percent of the employees of these non-governmental research institutes are retired scientists.

**Xinjiang Shows 'Stable Increases' in Economy**  
*OW2406055089 Beijing XINHUA in English*  
0819 GMT 23 Jun 89

[Text] Urumqi, June 23 (XINHUA)—Industrial enterprises covered in the state budget in the Xinjiang Uygur Autonomous Region achieved stable increases in production, sales and payment of taxes from January to May this year, an official at the regional government said today.

As compared with the same period last year, their industrial output value rose 18.3 percent, to 940 million yuan; commodity sales amounted to 1,430 million yuan, 31.5 percent higher; taxes and profits reached 260 million yuan, up 40.2 percent; and financial income increased by 22.3 percent, to 750 million yuan.

At the same time, Xinjiang's agricultural production and livestock breeding are also showing improvements. During the period, there were 756,000 head of livestock more than in last year's same period.

In addition, the region is expected to harvest 100,000 tons more wheat this year.

**FINANCE, BANKING**

**Savings Deposits Up at Industrial, Commercial Bank**  
*OW0406002689 Beijing XINHUA in English*  
1454 GMT 2 Jun 89

[Text] Beijing, June 2 (XINHUA)—By mid-May savings deposits at the Industrial and Commercial Bank of China were 200.8 billion yuan, quadruple the total amount of the previous 35 years, reports the current issue of financial news.

Li Guixian, president of the People's Bank of China, gave three reasons for the increase.

In the first place, the annual income of the majority of Chinese people has increased substantially. The average annual wage of workers rose from 648 yuan in 1979 to 1,695 yuan last year. On average, each urban household deposited 1,490 yuan this year, 438 yuan more than in 1979.

Secondly, the rise in bank interest rates and the practice of pegging the interest rate to the retail price index has acted as an incentive to save.

Finally, bank service has improved greatly over the past five years. The bank has opened 17,687 savings deposit banks employing 950,000 clerks. Many banks have extended business hours, and offer other services.

**INDUSTRY**

**National Industrial Output Grows in May**  
*OW0706163589 Beijing XINHUA in English*  
1143 GMT 7 Jun 89

[Text] Beijing, June 7 (XINHUA)—China's industrial production grew steadily in May with an 11 percent increase in output value over the same month last year, according to statistics from relevant departments.

The total output value in May was 114.5 billion yuan, 0.8 percent more than the figure in April. The output value of light industry was 57.5 billion yuan, up 11.7 percent, while that of heavy industry was 57 billion yuan, up 10.4 percent.

According to the statistics, the total industrial output value in the first five months was 519.3 billion yuan, up 11 percent over the same period of last year.

Last month, the production of energy and raw materials turned for the better while the production of some consumer durables dropped by a little bit.

Last month, the output of coal rose by 6.4 percent over same 1988 period, and that of electricity rose by 8.9 percent. The production of metal products turned for the better and the production of daily necessities expanded steadily.

According to the relevant departments, the country's industrial production is facing difficulties due to the shortage of raw materials, energy and funds and transport service.

**Hebei Posts Record Industrial Output in May**  
*HK2706111189 Beijing RENMIN RIBAO in Chinese*  
22 Jun 89 p 2

[Dispatch by reporter Chen Guoqi 7115 0948 3823:  
"Hebei Gave Record Industrial Output in May"]

[Text] Cadres, workers, and staff of Hebei Province's industrial and communications system have safeguarded the political situation of stability and unity, held fast to their posts, and worked hard in production with concrete actions. The province fulfilled a gross industrial output value of 4.548 billion yuan in May, up by 10.7 percent over the same period last year, and gave the best record ever.

Since late April, Hebei has met with many difficulties and interferences in its industrial production. The provincial government called five meetings in various categories, to earnestly study measures to overcome the difficulties, and required workers and staff to hold fast to production, and to work hard to support the correct central decisions, while it notified all prefectures and cities to adopt effective measures to guarantee normal production in industrial and mining enterprises in every possible way.

Under the difficult condition of some people instigating strikes among the workers in Shijiazhuang, the city party committee and government required workers to bring forward the spirit of being the masters of the country, and to strengthen labor discipline. At the same time, the city party committee and government strengthened control, harmonized operational strategies, and guaranteed normal production order. As a result, the city's gross industrial output value passed 1 billion yuan in May.

**Jiangsu Industrial Production Grows Steadily**  
*OW1006085289 Beijing XINHUA in English*  
0934 GMT 9 Jun 89

[Text] Nanjing, June 9 (XINHUA)—East China's Jiangsu Province scored 63 billion yuan (17 billion U.S. dollars) in its total industrial output value in the first five months, 10.9 percent more than the same period of 1988.

The value of industrial output in rural enterprises in Jiangsu Province rose by 20.6 percent over the same period of 1988, according to an official from the provincial statistical bureau.

From the beginning of this year, the provincial authorities have overcome many difficulties to promote the industrial production including chemical fertilizer, daily necessities and medicines.

**Shanghai's Industrial Output Increases in May**  
*OW0806133389 Beijing XINHUA in English*  
0640 GMT 8 Jun 89

[Text] Shanghai, June 8 (XINHUA)—Shanghai's industrial production increased 9.2 percent in May over the same month of last year, according to the Municipal Statistical Bureau.

The bureau reported that the industrial output value reached 9.959 billion yuan (2.69 billion U.S. dollars), equal to that in the previous month in terms of daily average.

The industrial output value totalled 46.035 billion yuan (12.44 billion U.S. dollars) in the first five months this year, 9.7 percent more than in the same period of last year.

**Production Rebounds in Liaoning Iron, Steel Company**  
*OW0806133589 Beijing XINHUA in English*  
0639 GMT 8 Jun 89

[Text] Shenyang, June 8 (XINHUA)—Production has gone up in the Anshan Iron and Steel Company, with daily steel output averaging 22,300 tons in the last ten days of May.

Since the end of last year, the Anshan Iron and Steel Company, which is located in northeast China's Liaoning Province, met with a serious shortage of energy, alloy and funds. As a result production went down sharply.

The company management mobilized workers and staff members to tap potentials and realize a 10 percent increase in profits and taxes.

The whole company also launched a movement of retrieving scrap steel and iron. By the end of last May, the scrap steel and iron retrieved surpassed 80,000 tons.

## FOREIGN TRADE, INVESTMENT

**More Ships Built for Foreign Owners**  
*OW2806044789 Beijing XINHUA in English*  
1203 GMT 27 Jun 89

[Text] Shanghai, June 27 (XINHUA)—China built six vessels totalling 230,000 dwt [deadweight tons] for ship-owners from Bangladesh, Federal Germany, Norway, Singapore and the United States between January and May this year, earning 10 million U.S. Dollars, a Chinese official said here today.

They include an 80,000-dwt tank and a 12,000-dwt container ship, said Hu Chuanzhi, general manager of the China Shipbuilding Corporation at a news briefing.

This year's target for China's shipbuilding industry is 518,000 dwt, including 27 vessels for foreign shipowners, he said.

Progress was also reported in ship repairing business, he added, especially mentioning services for the Soviet Union and Eastern European countries.

He said that the Chinese shipyards will honor all contracts and hope to resume all business ties terminated during the recent domestic turmoils.

The vessels built by Hu's corporation since 1980 totalled 2.5 million dwt.

### **May Trade Volume With Singapore Rises**

*OW2706060689 Beijing XINHUA in English  
0932 GMT 26 Jun 89*

[Text] Singapore, June 26 (XINHUA)—The volume of trade between Singapore and China in May recorded 544.2 million Singapore dollars (279 million U.S. dollars), an increase of 28 percent as compared with 424.5 million Singapore dollars in the same month last year.

According to data from Singapore's trade development board, the country's exports to China in May were 232.3 million Singapore dollars, growing by 66 percent over the same month last year while its imports from China were 311.9 million Singapore dollars, a rise of 9 percent over the same period of 1988.

In the first five months of this year, Singapore's trade with China was 2,271.8 million Singapore dollars. Among these, its exports were 985.6 million Singapore dollars while imports were 1,286.2 million Singapore dollars.

During the period, trade between the two countries increased by 10 percent from 2,061.3 million Singapore dollars registered in the same period last year.

### **Fujian Designates Special Zones for Taiwan Investors**

*OW1806230489 Beijing XINHUA in English  
0141 GMT 17 Jun 89*

[Text] Fuzhou, June 17 (XINHUA)—The State Council, China's highest governing body, has designated four areas in East China's Fujian Province as special zones for investors from Taiwan, XINHUA learned today.

They are the Xiamen Special Economic Zone, the Mawei Economic and Technological Development Zone near Fuzhou, and Haicang and Xinglin prefectures within the jurisdiction of Xiamen City.

The move is of political and economic significance because it will promote not only economic and trade development between the people on both sides of the Taiwan Strait but also the peaceful unification of the country, said a provincial government official.

The provincial government is working out an overall development program and industrial policies for these zones.

Enterprises in these zones will be built with exclusive or partial funds from Taiwan and are required to engage in production with supplied materials and export most of their products. Land-use rights will be sold to Taiwan investors.

Plans for overall infrastructure construction in the special investment zones are being drawn up.

The Fujian Provincial People's Congress will soon promulgate a set of regulations to protect the legitimate rights and interests of investors from Taiwan, the official said.

### **Guangzhou Officials Brief Foreign Businessmen**

*HK2106104589 Guangzhou Guangdong Provincial  
Service in Mandarin 1000 GMT 20 Jun 89*

[Text] This afternoon more than 100 foreign businessmen investing in Guangzhou attended a luncheon given in their honor by the Guangzhou Foreign Investors' Association.

Vice Mayor Lei Yu and Guangzhou Foreign Economic Relations and Trade Committee Chairman (Wu Pinghui) gave a briefing on the situation in Guangzhou and what was going on in foreign-funded enterprises.

Lei Yu pointed out: "When the counterrevolutionary rebellion erupted in Beijing, the political situation in Guangzhou was calm, its economy saw sustained development and the general trend of using foreign investment funds was developing soundly. From January to May, both the industrial production and revenue of Guangzhou city increased by 15 percent over the same period of the previous year; 997 contracts for foreign investment were concluded; and a total of \$270 million in terms of foreign capital was used."

The Provincial Foreign Economic Relations and Trade Committee (Wu Pinghui) told foreign businessmen at the meeting: "A recent survey demonstrates that none of the contracts for projects with at least \$5 million in foreign investment have been suspended because of the recent counterrevolutionary rebellion in Beijing."

### **Mayor Encourages Foreign Investors in Guangzhou**

*HK2106114289 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 21 Jun 89*

[Text] Last night Guangzhou Vice Mayor Lei Yu revealed that his government will adopt more measures to open up the city wider to the outside world, including measures such as transfer of the use of land with compensation, transfer of a certain number of shares of old enterprises to the outside world, and transfer of a certain number of scientific and technological achievements.

Lei Yu made these remarks last night while holding a discussion meeting with some foreign experts and working personnel in Guangzhou.

Mayor Yang Ziyuan also attended the meeting. In his speech, he expressed sincere thanks to foreign friends who had insisted on staying in Guangzhou in recent days in defiance of outside influence. At the same time he also said he sees perfectly well that a few foreign experts and working personnel have left Guangzhou for various reasons and we welcome them to come back to continue their cooperation with us. Yang Ziyuan emphasized that Guangzhou city will seriously implement a number of policies encouraging foreign investment and execute accordingly contracts concluded with foreign businessmen. Meanwhile, legal profits earned by foreign businessmen can surely be obtained and remitted and personal safety of foreign friends can be protected.

Twenty-five foreign friends, working for 22 enterprises in Guangzhou, said at the discussion meeting that they have complete confidence in the prospects of cooperation.

**Hebei Governor Stresses Improved Foreign Trade**  
*OW2206225289 Beijing Television Service in Mandarin 1300 GMT 20 Jun 89*

[From the "Night News" program]

[Text] [Video begins with a shot of a meeting hall, showing Hebei Governor Yue Qifeng in a closeup shot addressing the meeting. It then cuts to show the governor and other Hebei leaders inspecting some projects under construction. Video ends by cutting back to the scene of the meeting hall and panning participants] Speaking at a recent provincial meeting on economic relations with foreign countries, Yue Qifeng, governor of Hebei Province, called on governments and leaders at all levels to be guided by Comrade Deng Xiaoping's important speech, to do everything possible to overcome difficulties, and to continue to do a good job in foreign trade work and in the work of promoting economic relations with foreign countries.

Since the beginning of this year, a few countries have criticized China for ending the turmoil and putting down the counterrevolutionary rebellion. They have used this

as a pretext to exert pressure on China. Their actions have interfered with and affected Hebei's foreign trade and economic relations with foreign countries.

The Hebei provincial government calls on the Chinese side to work vigorously to carry out the committed economic cooperation contracts or agreements. If foreign parties, using China's suppression of the rebellion as a pretext, crudely interfere in China's internal affairs by exerting pressure through canceling, suspending, and postponing the contracts, we must adhere to principles and wage a struggle, if necessary. Moreover, we reserve the right to ask for compensation according to law.

The Hebei provincial government calls on all localities to pay special attention to capital construction projects under construction involving foreign firms. On the one hand, the various localities should advise foreign firms to carry out contracts; on the other hand, they should act on their own in their own interests, adopt a rigorous scientific approach, and independently continue the projects under construction. At the same time, all localities should strive to improve existing joint ventures, cooperative enterprises, and solely foreign-owned enterprises, try to raise efficiency in doing work involving foreign firms, and waste no time in examining, approving, and implementing projects whose contracts have been signed.

The Hebei provincial government calls on all localities to do a good job in manufacturing and buying export products and in expanding exports to earn more foreign exchange.

**Foreign Investment 'Booming' in Hebei**  
*OW2506051889 Beijing XINHUA in English 0116 GMT 24 Jun 89*

[Text] Shijiazhuang, June 24 (XINHUA)—Hebei Province in north China has made new progress in absorbing foreign investment, the provincial government announced here today.

From January to June 15 this year, the province had approved 37 contracts on directly using foreign investment totalling 46.59 million U.S. dollars. It also concluded four contracts with foreign governments to borrow a sum of 14.41 million U.S. dollars.

Hebei's foreign economic and technical cooperation has been booming since March last year, when the province designated the cities of Qinhuangdao, Tangshan and Changzhou, and 12 counties nearby as open coastal economic zones to attract foreign investment.

So far, the province has 324 foreign-funded enterprises involving 382 million U.S. dollars-worth of foreign investment, and has used foreign loans totalling 425 million U.S. dollars.

According to the official, the province has rearranged the direction of foreign investment, worked out stipulations to improve foreign-funded enterprise management and speeded up construction of ports, railways and telecommunications facilities in the open zones to improve the investment environment.

**Hunan Develops New Import Substitutes**  
*OW1606121689 Beijing XINHUA in English*  
0532 GMT 16 Jun 89

[Text] Changsha, June 16 (XINHUA)—The Hengyang Nonferrous Metals and Machinery Corporation in central China's Hunan Province has developed 11 kinds of new products which can substitute for imports, an official from the corporation said.

These new products have saved 130 million U.S. dollars-worth of foreign exchange for the state.

**Exports, Foreign Investment Up in Liaoning**  
*OW2006023689 Beijing XINHUA in English*  
0044 GMT 19 Jun 89

[Text] Shenyang, June 19 (XINHUA)—Both the export value and foreign investment amount of Liaoning, a major heavy industrial center in Northeast China, increased by large margins in the first five months of this year compared with the corresponding period of last year.

The province exported one billion U.S. Dollars-worth of local products in the first five months of this year, leading all the other provinces in the country, according to Zheng Silin, head of the provincial committee of foreign economic relations and trade.

So far, chemicals, garments, farm machinery, foodstuffs and arts and crafts have fulfilled 90 percent of their targets for this year, Zheng said.

To date, 94 foreign-funded enterprises have been set up in Liaoning. They involve a total of 150 million U.S. Dollars of investment, tripling the amount in the same period last year.

But Zheng noted that nearly one third of the foreign experts and investors left the province during the counter-revolutionary riots in Beijing. He expressed the belief that they would return to Liaoning very soon.

On delivery of contracted imports, Zheng said that his province has received imports valued at 260 million U.S. Dollars, an increase of 55 percent compared with the same period of last year.

The third Northeast China and Inner Mongolia export commodity trade fair, to be open in Liaoning's port city of Dalian July 1 is on schedule, Zheng announced.

Two economic delegations from the province, each headed by a vice-governor, will visit Australia and two South American countries soon.

**Tianjin Receives Foreign Loans**  
*SK2106000389 Tianjin City Service in Mandarin*  
2300 GMT 3 Jun 89

[Text] The Agricultural Bank of China, entrusted by the Tianjin Municipal People's Government, on 29 May signed an agreement for \$21 million in loans with the Long-Term Credit Bank of Japan, the Tokyo Bank of Japan, the Central Farmers Credit Cooperative of Japan, and the Solomon Investment Bank of the United States. These loans will be transferred by the Tianjin Branch of the Agricultural Bank of China to the municipal authorities to implement projects for producing seamless steel pipes and developing export products that can earn more foreign exchange.

**ECONOMIC ZONES**

**Beihai City, Guangxi, Expands Use of Foreign Investment**  
*HK2306094989 Beijing CEI Database in English*  
23 Jun 89

[Text] Nanning (CEI)—Beihai city of Guangxi Zhuang Autonomous Region has absorbed 5.95 million dollars of foreign investment in the first four months of this year. Total foreign investment in 1988 rose by 87 percent over the volume of the previous four years. In recent years, foreign-invested projects have moved from commercial and trade services to productive undertakings. The ratio between the two types of investment was 48:52 in 1985, and 15:85 in 1988. The amount of funds involved has increased from 600,000 dollars per project to 3.55 million dollars on an average. The proportion of items contracted during negotiations increased from 46 percent in 1984 to 88 percent in 1988. And the source of funds has expanded from Hong Kong and Macao to foreign countries. Meanwhile, the city has stressed the import of advanced management from abroad.

**Shenzhen Remains Open to Foreign Investors**  
*OW2206020089 Beijing XINHUA in English*  
1106 GMT 21 Jun 89

[Text] Shenzhen, June 21 (XINHUA)—Shenzhen, the first special economic zone set up in China, will continue to play its role as a pilot city in China's economic reform and opening to the outside world, Vice-Mayor of Shenzhen Zhang Hongyi told foreign financiers here today.

Addressing a discussion meeting with heads of 20-odd foreign bank branches in Shenzhen attending on the current situation in China, Zhang praised these branches for their normal operation during the unrest in Beijing earlier this month.

So far, Shenzhen has 15 foreign bank branches and nine agencies of foreign financial institutions. They have made great contributions to the economic growth of Shenzhen, he said.

The vice-mayor expressed the hope that the co-operation between the two sides would be enhanced.

The representative of the Hongkong-based [as received] chartered bank said his bank would continue to invest in China.

An official from the Hongkong Nanyang Commercial Bank Ltd said the head office had not changed its original investment plan for China.

But many bank officials admitted that the rioting in Beijing had exerted an adverse impact on their business.

**Xiamen Foreign Trade, Export Situation 'Good'**  
*HK2206043589 Beijing ZHONGGUO XINWEN SHE in Chinese 0344 GMT 21 Jun 89*

[Report: "Xiamen Exports Top \$200 Million in the First 5 Months"—ZHONGGUO XINWEN SHE headline]

[Text] Xiamen, 21 Jun (ZHONGGUO XINWEN SHE)—The situation is good in Xiamen's foreign trade and exports. From January to May this year exports topped \$217 million, an increase of 17 percent over the same period last year, fulfilling half its annual export plan.

With the exception of some foreign trade specialized companies whose exports dropped during the first 5 months, foreign trade enterprises directly under the Xiamen city government, foreign trade companies affiliated with the central authorities, and foreign trade enterprises directly under the Fujian provincial government registered large increases in their exports. Foreign trade companies affiliated with the central authorities registered a 200-percent increase and foreign trade enterprises directly under the provincial government, 150 percent. Wholly owned foreign-invested enterprises, joint ventures, and cooperative enterprises in Xiamen City constitute a key force in the city's foreign trade. Their exports totaled \$39 million during the first 5 months, a 70-percent increase over the same period last year. The export volume of five enterprises, including the Xiamen Special Economic Zone trading company, the construction and development company, and the Xiamen group company, exceeded \$10 million.

Xiamen Vice Mayor Jiang Ping pointed out several days ago that the situation in Xiamen's foreign trade and exports was good from January to May this year, but added that the current turmoil had affected the city's foreign economic relations and trade. Therefore, taking advantage of the State Council's approval of building Haichang and Xinglin investment zones for Taiwan businessmen, Xiamen City will further consolidate its

original markets, ensure its customers' interests, explore new markets, and allow foreign exchange retention to be cashed immediately. All this is aimed at fulfilling the annual foreign trade target of \$420 million.

**Overseas Investment in Xiamen Increases**  
*OW1106034489 Beijing XINHUA in English 0952 GMT 10 Jun 89*

[Text] Xiamen, June 10 (XINHUA)—Xiamen, one of China's four special economic zones in east China's Fujian Province, has approved 106 new projects, funded by foreign and Taiwan businessmen in the first five months this year—up 158 percent over the same period of last year.

According to a local official today, among these, 60.5 percent of the investments were from Taiwan businessmen—1.2 times the figure of the same period of last year.

Over 85 percent of the projects were manufacturing ventures in textile, light industry and electronics.

The industrial output value of these overseas funded enterprises in the first five months was 27.6 percent higher than in the same period of 1988 and their export value increased 31.3 percent.

## TRANSPORTATION

**Jiangsu Port Opens Two New Shipping Routes to Japan**  
*HK1506123389 Beijing CEI Database in English 15 Jun 89*

[Text] Nanjing (CEI)—Lianyungang Port in East China's Jiangsu Province has opened up two regular container routes every month to Japan, offering Chinese and foreign customers cargo transportation service.

Ships sail to/from Nagoya from 14 to 16 every month and to/from Kobe from 26 to 28.

The port city now has 7 wharves and 15 berths with an annual handling capacity of 15.4 million tons and last year it actually handled over 10 million tons. The city has trade and shipping ties with more than 170 ports in over 70 countries and regions.

Besides scheduled shippings, the City's Shipping Company has three ocean-going ships able to handle nearly 10,000 tons of goods each, which sail to Japan and Hong Kong in nonscheduled operation.

The containers mainly undertake transportation of dozens of varieties of goods such as planks of tung trees, cotton, feather quilts, shell carving pictures, prawns, ferrosilicon, bean products, Chinese chestnuts and sports facilities.

**Transportation Network Expanded in Qingdao**  
*OW1506004889 Beijing XINHUA in English*  
0756 GMT 14 Jun 89

[Text] Qingdao, June 14 (XINHUA)—A new expanded transportation network, with the port as the center, has been formed in Qingdao, a major coastal city in East China's Shandong Province.

An official from the municipal government said the handling capacity of the Qingdao port has reached 31 million tons, of which the capacity for containers has exceeded 90,000.

He said the city's total mileage of roads open to traffic has totaled 2,668 km, of which 96.2 percent can be used in bad weather.

Air routes link Qingdao with 12 major Chinese cities, including Beijing, Guangzhou, Xiamen, Xian and Shanghai; there are also three charter flights to Hong Kong every week.

## AGRICULTURE

**Early Rice Acreage Expands**  
*OW0306011989 Beijing XINHUA Domestic Service in Chinese*  
1210 GMT 1 Jun 89

[By reporter Pu Liye; Local Broadcast News Service]

[Text] Beijing 1 Jun (XINHUA)—After having decreased for the past 10 consecutive years, China's early rice acreage began to increase this year. According to a recent prediction by the Ministry of Agriculture, early rice acreage in the country will reach 140 million mu this year, over 2 million mu more than last year. Currently, most localities have completed transplantation of rice seedlings, and are concentrating their efforts on improving field management, which has centered on top dressing, draining waterlogged fields, and preventing plant diseases.

It has been learned that conditions for early rice growing are better than last year. The main reason for this is that sowing was completed in a rather short period of time. This year, most of southern China and some parts of southwestern China sowed and transplanted early rice 2 to 7 days earlier than they did last year. Areas between the Chang Jiang and the Huai He, and areas in the middle and lower reaches of the Chang Jiang also completed transplantation of early rice earlier than they did last year. Moreover, because this year's weather was favorable to sowing and cultivating early rice, and because various localities expanded the acreage of seedling cultivation under human-controlled temperature, less early rice rotted, and the quality of seedlings in most localities was better than last year.

However, some experts pointed out that there is a worrisome problem in early rice production this year; that is, acreage of hybrid rice has decreased since last year. According to statistics gathered in seven provinces and autonomous regions including Hunan, Hubei, and Jiangxi, because of a shortage of rice seeds, this year's acreage of hybrid rice has decreased by 1 million mu over the last year.

**Grain Seed Breeding Centers To Be Built**  
*OW1606130689 Beijing XINHUA in English*  
1017 GMT 16 Jun 89

[Text] Beijing, June 16 (XINHUA)—China will spend 45 million yuan building 70 production centers of grain seeds nationwide to ensure a good harvest in the coming 2 years, XINHUA learned here today.

The money will be used primarily to construct a seed breeding service system including storehouses, drying grounds, and inspection and processing equipment, and improving transportation facilities.

When completed, these centers will provide 150 million kg of fine seeds for hybrid rice and maize, and wheat and potatoes annually for farmers nationwide.

According to sources at the Ministry of Agriculture, China has now 8,000 machines specializing in seed processing, of which 80 are up-to-date equipment imported from abroad.

The construction of fine seed breeding centers will accelerate the production, processing, and storage of fine seeds in the country and improve the quality of grain seeds in this country with the world's largest population, an official at the ministry said.

**Progress Continues in Rural Electrification**  
*OW2706060389 Beijing XINHUA in English*  
0707 GMT 26 Jun 89

[Text] Beijing, June 26 (XINHUA)—China has electrified 48 counties in the last three years in an effort to provide 100 rural counties with ample electricity by the year 1990, an official from the Ministry of Water Resources said here today.

He said that 90 percent of farming families in these counties have enough electricity for their needs.

According to statistics from the ministry, power station construction work during the past three years has boosted the rural economic development of these counties by 2.26 times and grain output by 18 percent. The annual income for each farmer has been raised from 198 yuan in 1986 to 501 yuan last year.

China plans to invest 1.4 billion yuan in the next two years to electrify another 52 counties by 1990.

**Afforestation Program Launched by Fujian**  
*OW0106010689 Beijing XINHUA in English*  
1427 GMT 31 May 89

[Text] Fuzhou, May 31 (XINHUA)—The Government of Fujian Province is launching a mass afforestation program over the next 5 to 7 years.

By 1995, 55 percent of the province will be covered in trees, compared with the present 43 percent, and plant-covered areas will be expanded to 6.6 million hectares, said Vice Governor Su Changpei at a conference on afforestation in Sanming City which finished recently.

The province is planning to build a number of forest centers with fast-growing trees. Timber processing centers will also be set up.

The vice governor proposed setting up a system under which forest use rights can be transferred in future. He also proposed setting up a forestry foundation in the province.

**Fujian Boosts Agricultural Production**  
*OW1506005089 Beijing XINHUA in English*  
1421 GMT 14 Jun 89

[Text] Fuzhou, June 14 (XINHUA)—Fujian Province, one of China's leading grain producers, is expected to harvest 350 million kg of spring grain this year, representing a 16.4 percent increase over last year's figure, a provincial leader said here today.

The official attributed the potential good harvest to large-scale capital construction on farmland in winter last year and this spring.

During the winter-spring period, local farmers opened up 5,000 hectares of virgin land and brought 180,000 hectares of land under irrigation.

Governments at provincial levels sent more than 30,000 technical and scientific research personnel and office workers down to rural areas to offer consultancy and pass on modern farming techniques.

Funds for the development of agriculture was increased by 100 million yuan compared with 1988. Governments at various levels also set up agriculture development funds.

Supply of chemical fertilizer this year went up by 11 percent while that of pesticide jumped 17 percent above last year's figure.

**Gansu Expects 'Good Summer Harvest'**  
*OW1806134789 Beijing XINHUA in English*  
0039 GMT 18 Jun 89

[Text] Lanzhou, June 18 (XINHUA)—A good summer harvest is expected in northwest China's Gansu Province this year.

According to a local official in charge of grain production, the sown area of summer grain crops in the province reached 1.77 million hectares, some 40,000 hectares more than last year, and its output is expected to surpass last year's by 100,000 tons.

The official attributed the good prospects in summer grain crops to the favorable weather and adequate rainfall since last autumn as well as more input by both farmers and local government in the form of funds, chemical fertilizer, pesticides, diesel oil and farm machinery.

**Joint Venture Produces Feed Additives in Guangxi**  
*OW1606141089 Beijing XINHUA in English*  
0801 GMT 16 Jun 89

[Text] Nanning, June 16 (XINHUA)—A Sino-foreign joint venture to produce feed additives has recently gone into operation in the Guangxi Zhuang Autonomous Region after 14 months' construction.

The 850,000-U.S.-dollar plant is jointly run by the British Peter Hand Co. Ltd, two Singapore firms, and one Hong Kong firm, and the Guangxi International Trust and Investment Company and the Guangxi Livestock, Industrial and Commercial Cooperative Company.

The plant is able to produce 4,000 tons of feed additive a year.

**52-Percent Increase in Food Crop Harvests for Guangxi**  
*OW1506114089 Beijing XINHUA in English*  
0818 GMT 15 Jun 89

[Text] The Guangxi Zhuang Autonomous Region in south China has achieved a 52 percent increase in harvests of food crops other than rice, such as wheat, maize, green and broad beans, and soybeans.

Their combined output has reached 964,000 tons, according to the local agriculture department.



### **USSR To Set Up Joint Coffee, Tea Production in Hainan**

*HK0506125589 Beijing CEI Database in English  
5 Jun 89*

[Text] Haikou (CEI)—A delegation from the Ministry of Agriculture of the Soviet Union visited Hainan recently and signed a letter of intent on jointly producing coffee on 19,500 mu of land and tea on 30,000 mu of land on Hainan island with the Hainan State Farming Corporation.

At the same time, the both sides signed an agreement on selling some products provided by the Chinese side in the Soviet Union.

According to the agreement, China will provide 300-1,000 tons of coffee and 1,000 tons of black tea to the Soviet Union and get from the latter chemical fertilizer, steel and agricultural machines of the same value.

### **Hebei Predicts Bumper Summer Harvest**

*OW1206052189 Beijing XINHUA in English  
0200 GMT 12 Jun 89*

[Text] Shijiazhuang, June 12 (XINHUA)—The total harvest of summer crops in Hebei Province, a leading grain grower in northern China, is expected to reach more than 80 billion kg this year, according to a local official today.

He said that last winter the province sowed 2.4 million ha of wheat, and the crops are all growing well due to favorable climate and rainfall early this year. The figure is 16,000 ha more than last year's.

Over 10,000 local agroscientists have signed contracts with farmers to improve 30 percent of the local total sowing area.

### **Henan Expects Good Harvest**

*OW0806041989 Beijing XINHUA in English  
0045 GMT 8 Jun 89*

[Text] Zhengzhou, June 8 (XINHUA)—Henan Province, one of China's grain producers, reports a good summer harvest this year.

A provincial official in charge of agriculture said here today that the wheat output is expecting to approach the record year of 1984.

Henan, of which the wheat output accounts for one sixth of the country's total, turned out 16.8 billion kilograms in 1984 and its output has been fluctured [as received] since and dropped to 15.5 billion kilograms last year.

The official attributed the good harvest to good weather conditions and local efforts to boost agriculture.

### **Commentary Supports Subsidies for Henan Pig Producers**

*HK2006073989 Zhengzhou Henan Provincial Service  
in Mandarin 1130 GMT 19 Jun 89*

["Short" commentary by news center: "Enhance the Foresight of the Policies and Guarantee the Long-Term and Steady Development of Pig Production in our Province"]

[Text] For many years, our province has found it hard to sell pigs at regular intervals, resulting in shortages of pork. The phenomenon of difficulty in selling pigs has appeared again this year. It is learned that the difficulty in pig sales will continue for some time.

What is the reason? We hold that some departments have not enhanced the foresight and scientific nature of the policies and have not been able to promptly adopt a long-term emergency measure. In view of this, we suggest to the departments concerned that they should strictly set a minimum protective price for procuring pigs and implement a preferential policy to support pig production. The role of the state-run commercial enterprises as the main channel must be brought into play. Some financial subsidies and the amount of pork supplied at a fair price must suitably increase so that the dropping of the market price of pork and the difference between buying and selling prices tend to be rational.

In addition, it is necessary to step up the management of the departments for the collection of charges and taxes and of the sanitary and disease inspection department, to reduce the circulation and intermediate links, and to protect the enthusiasm of the peasants for raising pigs.

### **Use of IOU's for Henan Grain Purchases**

*HK1606055489 Zhengzhou Henan Provincial Service in  
Mandarin 1130 GMT 15 Jun 89*

[Station news analysis: "Will Grain and Oil Crops Be Purchased This Year by IOU Receipts?"]

[Excerpts] The total volume of summer grain crops to be purchased in our province this year is estimated at 68 billion kilograms. Plus the purchase of oil crops, it is expected that a total of 3.28 billion yuan is needed. The provincial government has issued instructions that grain supply and marketing departments should tap potentials, financial departments earmark more funds and the People's Bank and the Agricultural Bank grant more loans. In all, it is expected that a total of 2.43 billion yuan will be available for the purchase, making up 74 percent of the aggregate sum to be needed. [passage omitted]

The provincial government and grain bureau have repeatedly stressed that this year we must do all what we can to purchase grain without using IOU's. However, the funds collected by local authorities and the departments concerned demonstrate that it is hard not to use IOU's for grain purchases in some areas. Last year our province

purchased most grain and oil crops by means of IOU's. This has seriously infringed on the interests of peasants and dampened their enthusiasm for the planting and sales of grain crops; it has also made this year's purchase more difficult than before. Under such circumstances, governments, grain supply and marketing departments and banking departments at different levels should make a thoroughgoing investigation in areas under their jurisdiction without delay to see whether there are still areas which are still likely to make out IOU's to purchase grain this year, and then adopt timely measures to avoid using IOU's and to pay cash to peasants for purchases.

### **Henan Reaps Record Wheat Harvest**

OW3006020889 Beijing XINHUA in English  
1354 GMT 29 Jun 89

[Text] Zhengzhou, June 29 (XINHUA)—Henan Province in Central China has reaped 1.75 million tons of wheat, a record harvest for the province, the largest wheat producer in China.

According to the provincial statistics bureau, the figure represented a 13 percent growth over last year and 4.1 percent over the highest record in 1984.

A local official said, the big increase was due to the construction of water conservation facilities and the expanded areas sown to wheat. The good weather also contributed to the good harvest this year.

### **Inner Mongolia Expects Bumper Livestock Harvest**

OW1606183289 Beijing XINHUA in English  
1359 GMT 16 Jun 89

[Text] Hohhot, June 16 (XINHUA)—A record-breaking bumper harvest of livestock in the Inner Mongolia Autonomous Region, China's major base of animal husbandry, is expected this year, according to a senior regional official.

Yu Tiefu, deputy director of the bureau in charge of livestock of the region, told XINHUA that by the end of this month the total number of the animals with the exception of pigs in the region would reach 45 million head, a record and three million head more than the same period of last year.

Deputy Director Yu said that this year will be the fifth consecutive year for the region to achieve a bumper harvest in livestock.

He noted that this is a result of the herdsmen's timely preparation for fighting the extensive drought in the pastures.

He also attributed the results to the central government's policy of reform. In the past 40 years since the founding of the People's Republic of China in 1949, there were

only seven years when the region's animals surpassed 40 million head, five of which were after 1978, when China started the economic reform.

Yu said that particularly after the pastures and animals were distributed to individuals in 1980, the herdsmen's initiative was brought into full play. They dug wells to fight drought and built sheds to shelter the animals in winter.

Since 1987, a total of 38 livestock shelter bases, 19 livestock marketing bases and six bases of animal products for export have been built in the region.

### **Jiangsu To Upgrade Industries for Agriculture**

OW1006041789 Beijing XINHUA in English  
0114 GMT 10 Jun 89

[Text] Nanjing, June 10 (XINHUA)—Jiangsu Province in east China plans to invest 840 million yuan in upgrading and expanding 71 enterprises producing chemical fertilizers, pesticides and agricultural machinery by 1991.

When completed, they are expected to increase production of one million tons of nitrogenous fertilizer, 500,000 tons of phosphate fertilizer, 1,400 tons of high-effect pesticides, 1,600 tons of weed killer and some 20,000 agricultural machines.

According to statistics, cities and counties in the province have collected 567 million yuan for the upgrading project.

### **Jiangsu Silk Cocoon Production Improves**

HK1206093589 Beijing CEI Database in English  
12 Jun 89

[Text] Nanjing (CEI)—Spring cocoon yield in Jiangsu Province is anticipated to reach 42,500 tons this year, 10 percent more than that of last year, according to the silk and satin corporation of the province. The quality of the cocoon is also believed to be improving. Experts predict that it will give a big boost to the province's exports silk and silk fabrics. The export is expected to rise to 370 million U.S. dollars this year, 40 million dollars more than that of last year. Jiangsu is a key cocoon producer in the country. Its export volume of silk and silk products has surpassed other provinces in recent years.

### **Jiangxi Expects Bumper Agricultural Harvest**

OW2006024289 Beijing XINHUA in English  
0108 GMT 19 Jun 89

[Text] Nanchang, June 19 (XINHUA)—Jiangxi Province, a major agricultural center in East China, is expected to reap bumper harvests this year.

The province expects 105 million kg of spring grain, 200 million kg of rapeseed, 250 million kg of fruit and 205,000 kg of tea this year, said an official from the provincial agriculture department.

The number of pigs to be put onto market in the first half of this year will reach 5.3 million head, 5.1 percent over the same period of last year.

The supply of meat was 410,000 tons during the first six months this year, up by 5.5 percent compared with last year's same period; fresh milk, 10.7 million liters, up by seven percent; and eggs, 75,000 tons, up by 14.5 percent.

The province yielded 90,989 tons of aquatic products in the first four months of this year, representing a 9.9 percent increase.

Meanwhile, they built new fishponds on an area of 2,600 ha of land and have put 1.25 billion fish fry into ponds and rivers. By the end of the year the province is expected to harvest 275,000 tons of fish.

Farmers in the province have brought 13,000 ha of arid land under irrigation and improved 24,900 ha of low-yielding fields.

By the end of last April, township-run enterprises had produced an industrial output value of 3.19 billion yuan this year, one third more than in last year's same period.

However, the province is facing three major problems—possible natural disasters such as floods in summer and drought in the latter half of the year, insufficient supply of chemical fertilizer, pesticide, circulating funds and fodder, and shortages of energy and raw materials.

**Liaoning Anticipates Record Wheat Harvest**  
*OW2906143889 Beijing XINHUA in English*  
1440 GMT 28 Jun 89

[Text] Shenyang, June 28 (XINHUA)—Northeast China's Liaoning Province is expected to reap more than 200 million kg of wheat this year, a record harvest for the province.

The figure represented a 50 percent growth over last year.

A local official said this is due to expanded areas sown to wheat and use of improved wheat varieies.

This year the province seeded 68,000 hectares with wheat, as compared with 10,000 hectares in 1985.

The wheat output per hectare in the province is estimated at 3,000 kg, doubling the figure for 1976.

**Shaanxi Expects Good Summer Wheat Harvest**  
*OW1006021989 Beijing XINHUA in English*  
0020 GMT 10 Jun 89

[Text] Xian, June 10 (XINHUA)—Shaanxi Province in northwest China is expected to harvest 4.85 to 4.9 million tons of grain from summer crops this year, a record since 1984, according to the local departments concerned.

According to local agricultural experts, the average per hectare wheat output is expected to reach 2,647 kg, an increase of nine percent over last year.

Now, 1.66 million hectares of wheat are ready for harvesting.

Local agricultural officials attributed this year's good wheat harvest to better application of practical technologies, more manure and chemical fertilizer and improved field management as well as favorable weather conditions.

**Silkworm Cocoon Purchases Up in Shandong**  
*OW3006084489 Beijing XINHUA in English*  
0619 GMT 30 Jun 89

[Text] Beijing, June 30 (XINHUA)—The purchasing volume of spring silkworm cocoons in east China's Shandong Province had reached 4.27 million kg by June 24 this year, a 28 percent increase over the same period of last year.

**Shandong Province Purchases More Wheat**  
*OW3006062689 Beijing XINHUA in English*  
1438 GMT 29 Jun 89

[Text] Jinan, June 29 (XINHUA)—By June 27, Shandong Province, a leading wheat producer in China, had purchased 1.6 million tons of wheat at state-set prices, two-thirds of the province's annual purchase target this year.

To date, 36 counties, cities and prefectures in the province have fulfilled their wheat purchase targets.

It is learnt that the relevant local departments such as banks, financial, marketing, petroleum supply and agricultural machinery departments have made concerted efforts to ensure a smooth wheat purchase this year.

**Wheatfields Promise Good Harvest in Shandong**  
*SK2606130489 Jinan Shandong Provincial Service*  
in Mandarin 2200 GMT 23 Jun 89

[Summary] Despite the reduction by 1.2 million mu in wheat-growing acreage, it is estimated that the total wheat output for the province will exceed 4.5 billion kilograms this year, surpassing last year's figure.

**Shanxi Predicts Good Wheat Harvest**

OW0306063789 Beijing XINHUA in English  
0136 GMT 2 Jun 89

[Text] Taiyuan, June 2 (XINHUA)—The wheat harvest in Shanxi Province is expected to be between 2.4 to 2.65 billion kg this year, an increase of 52 to 302 million kg over 1988.

An official from the provincial Agriculture and Animal Husbandry Department said this is due to more land being planted, more investment and good weather.

Harvesting has already begun in some areas. It will continue through this month.

**Sichuan Increases Summer Grain Production**

OW1206064489 Beijing XINHUA in English  
0153 GMT 12 Jun 89

[Text] Chengdu, June 12 (XINHUA)—Summer grain output in Sichuan Province, one of China's major agricultural producers, is up while its oil-bearing crop output is down, according to the provincial agriculture department.

An official in charge of agriculture said that, except for 21 prefectures and cities hit by severe hailstorms, grain output in other areas was up.

The province's total output of summer grain, mainly wheat, is expected to rise by 10 percent over that of last year, but the output of rapeseed is down by 1.9 percent.

The grain output of Sichuan accounts for one-tenth of the country's total and reached a record 40.795 billion kg in 1984. However, it dropped to 38.78 billion kg last year.

To boost the grain harvest, the official said, the province has increased its agricultural input this year.

In addition to spending an extra 90 million yuan (about 24.3 million U.S. dollars) in this sector, the province has allocated 100 million cu m [cubic meters] of natural gas for producing chemical fertilizer and spent 12 million yuan-worth of foreign exchange to import chemical fertilizer, pesticide, and raw material for producing farm-use plastics.

Meanwhile, the province has sent 14,000 agrotechnicians to rural areas to help farmers boost grain production.

**Paper Calls for Expanded Rubber Production**

OW3006084189 Beijing XINHUA in English  
0550 GMT 30 Jun 89

[Text] Beijing, June 30 (XINHUA)—Today's FINANCIAL NEWS calls for more funds for expanding China's second largest rubber production base in Xishuangbanna of southwest China's Yunnan Province.

In a report, the paper said the base, which produces 37,000 tons of dry rubber annually (14.8 percent of the national total), has a big potential to produce more.

However, the shortage of funds has limited the expansion of production, the paper said.

As a result, it affected the management of existing 20,000 hectares of rubber trees, it said.

The paper urged departments concerned to take effective measures to solve the problem. "China spends over 300 million U.S. dollars to import rubber each year. Can we find a way to use some of the money to support national rubber production?" the paper asked.

**Warning Against 'New Authoritarianism'**  
40050543 Hong Kong CHIUSHIH NIENTAI [THE  
NINETIES] in Chinese No 5, 1 May 89 pp 71-73

[Article by Xu Liangying 6079 5328 5391: "Antidemocracy Countercurrent in China"]

[Text] In China there are two big obstacles to the democratic goals of the 4 May Movement. First, there is the feudal consciousness of "fighting to win state power and rule the country." Second, there are some "sedan chair bearers" who peddle false and inferior commodities from markets abroad, advocating "strongman politics" and "enlightened despotism" to intimidate people.

(The writer of this article is a former researcher in the Natural Sciences History Institute of the Chinese Academy of Sciences. Now retired, he is engaged in writing.)

The democracy and science advanced by the 4 May Movement are the big mainstays of modern civilization, and are the intrinsic motive forces on which modern societies depend for development, and on which modern countries depend for existence. But what is regrettable is that new China has been in existence for 40 years and democracy still cannot be achieved. Democracy is also many times regarded as a forbidden zone, and if one talks about democracy one is often given the label of "bourgeois rightist" or advocate of "bourgeois liberalization." Over the past several months many articles discussing democracy have appeared in the press, but most of them are full of misunderstandings and even misinterpretations. It is thus obvious that pitifully few people in China truly understand the concept of democracy. Therefore, through commemoration of the 4 May Movement we should initiate a movement to enlighten thinking about democracy, hoping that comrades who aspire to democracy will be able to work together in full cooperation and with unity of purpose to overcome one obstacle and difficulty after another and to advance the achievement of political democracy in China.

**Two Serious Obstacles to Democracy**

China's Constitution early on stipulated the achievement of a "high degree of democracy," but two serious obstacles were encountered. First, there is the feudal consciousness of "fighting to win state power and rule the country" and "being the master of the people." Second, from the dark corners of free markets abroad are peddled some false and inferior commodities, and from the rubbish heap of history is found some rotten meat to act as treasure for intimidating people. For example, there is the writer of the book *Taking the Road to the Modern State*, whose conclusion is that the only way a backward nation can modernize is by relying on force from top to bottom, by depending on the "iron hand of despotism." Also, some comrades, when introducing new theories from abroad, do not truly understand their meaning, and even reverse their meaning. For example, the two translators of the famous work by economist K.J.

Arrow's famous work *Social Selection and Individual Value* are like this. Recently someone, because of some misunderstandings, in two "theses" discussing democracy declared: Arrow's theory "proclaims the bankruptcy of the classical theory of democracy"! In Arrow's book it is clearly written that his theory provides the legal foundation for the two-party system of the UK and the United States and for West European countries' multi-party system. This reading of books without trying to thoroughly understand them and the spreading of errors or falsehoods are fairly universal phenomena in academic circles today. This is even truer of articles that discuss democracy.

Discussion of the "bankruptcy" or "dying away" of the traditional concept of democracy (like the discussion in the 1 January 1988 issue of JINGJI ZHOUBAO [ECONOMIC WEEKLY] has now become fashionable. However, those who discuss this have little knowledge, or are even utterly ignorant, of the main ideas of the enlightened thinkers of Europe and America in the 17th and 18th centuries. Some of them, I'm afraid, have not even read the 1776 American Declaration of Independence and the 1789 French Declaration of the Rights of Man and of the Citizen. Actually, I myself only read them in the last 10 years. Before that, my understanding of the concept of democracy was specious and very superficial. The comrades who, along with me, waged the democratic revolution struggle 40 years ago are also like this.

Many think there is a division in democracy between East and West, but I can't agree. I think: democracy, like science, is a product of mankind's reason, an embodiment of humanity, and mankind's common spiritual wealth; it has no class nature or national boundary. Its so-called distinguishing feature in the East is really the brand of feudal despotism, which is incompatible with democracy. Democracy should be the foundation and premise of Marxism and socialism; it should be the basis on which a socialist country is founded. Without democracy there is no true socialism. It can only be the National Socialism (Nazism) flaunted by Hitler half a century ago, and the fascist rule of the so-called Socialist Program Party, the dissolution of which Burma had to announce last year.

**The New Authoritarianism—Antidemocracy Countercurrent**

The focus of most attention is the antidemocracy countercurrent, which has been gathering force for many years and which advocates despotic dictatorship. It recently emerged at the same time in the name of the "new authoritarianism," "rule by the elite," "strongman government," and "enlightened despotism," becoming a powerful impetus in public opinion. What is more, a young teacher at Beijing University has used a public platform to hawk the so-called "new nationalism" and "new heroism," advocating the "spirit of conquest" and clamoring that the Chinese nation conquer weak and small countries adjacent to it and then conquer the

world. Obviously, this is Nazi racism in a new guise. Unfortunately, some people applaud it, which really makes one boil with anger. What is strange is that this antidemocracy fallacy has appeared at tedious length in newspapers and magazines, but the short article, of only 2,000 words, that I wrote at the beginning of September for SHEKOU TONGXIN BAO, "Refuting the Theory of Going Slow in Democracy," which should have been published on 19 January of this year, has not yet appeared in print. The pretext for the "new authoritarianism" is nothing more than: "economic reform requires stability and order; and the educational quality of the Chinese people is too poor, and if they had democracy there would be chaos."

From the comments of those who disagree with democracy and who admire the "new authoritarianism," I discovered that they had not made an effort to understand the theory, history, and reality of democracy. Some people, just relying on their own experiences in the Great Cultural Revolution, lump together democracy and the so-called "great democracy" and "riffraff movement" that Mao Zedong used to hoodwink people. Other people call the latter two "anarchic democracy,"<sup>2</sup> which is likewise a confusion in concepts.

Democracy and anarchism are two concepts that are as incompatible as water and fire. A basic component of the concept of democracy is a legal system; no one may go against the decisions (mainly the constitution, laws, and regulations) made by the majority of citizens (or by the citizens' freely elected representatives). Anarchism denies these restraints.

Mao Zedong, who was complacent about "defying laws human and divine," basically disregarded the legal system and carried out his individual arbitrary rule by man. His so-called "great democracy" was certainly not democracy; it was nothing more than an antidemocratic, antihumanity act to hoodwink the masses. It is also totally mistaken, as was done in many formal documents of the past, to call this so-called "great democracy," which defied laws human and divine, "ultrademocracy." The meaning of the concept of democracy is similar to that of science. It has its own specific meaning, and there is basically no question of it being "ultra" or excessive. For example, the so-called "democracy under centralized guidance" in reality means the liquidation of democracy.

#### **A Gifted Tyrant Is Always Succeeded by a Scoundrel**

As for the question of authority, democracy not only does not deny authority, but pays a great deal of attention to the authority of law and the importance of social order. Therefore, it must establish the authority of law, and everyone must respect and abide by the laws (first of all, the constitution), but it resolutely opposes establishment of the authority of an individual so that no

individual is placed above the law. Just as Einstein said: "My political ideal is democracy. Let every person be respected as an individual, but do not let any person become an idol."

However, authoritarianism, whether in its old form (like the authoritarianism practiced by Chou An Hui 76 years ago to create public opinion for proclaiming Yuan Shikai emperor) or the "new authoritarianism" that decks itself out in the new terms of the eighties, always wants to establish the authority of an individual (one person or a small number of persons) and to have him (or them) exercise the rule of despotic dictatorship over the people. With regard to this despotic authority, Einstein sharply pointed out: "In my view, a coercive despotic system quickly becomes corrupt, because the people that violence attracts are always of inferior character; I also believe that a gifted tyrant is always succeeded by a scoundrel, and that this is an eternal, unchanging law."<sup>3</sup> Einstein not only discovered the fundamental laws of the natural world, he also discovered the important laws of human society, and this law is verified by the facts of Chinese and world history.

An argument of the authoritarians that most confuses people is: the economies of the "four little dragons" of Asia [Hong Kong, Taiwan, South Korea, and Singapore], which all have a despotic system, have been able to soar. This argument does not take into account the all-out support given to them by a powerful America that stands behind them. It may well be asked: cannot China, a great nation with a population of 1 billion, achieve modernization by relying on its people's initiative and enthusiasm, but rather must it rely completely on the strength of foreign countries? Also, the exits of Chun Doo Hwan, Marcos, and Ne Win proclaimed the utter bankruptcy of despotic rule and strongman politics.

Some people think that democracy stresses only the collective and that it ignores the freedom of the individual. This is a gross misunderstanding. Precisely the opposite is the case. Respect for the individual is the premise of democracy, and its fundamental aim is to guarantee the democratic rights of all individual freedoms.

#### **Democracy Is the "Decision of the Majority"**

Some people say that democracy is only an obscure ideal and that it is very difficult to define. In fact, these people have not clarified the meaning of the concept of democracy, which was clearly defined 2,500 years ago by the original meaning of the Greek word *demokratia*: rule by the people or sovereignty of the people. This kind of rule is effected by means of the principle of "majority decision." The humanism of the Renaissance made people begin to attach importance to the value of the individual and the dignity of the individual. The thinkers of the Enlightenment, which came soon afterward, made the consciousness of the citizen, mainly the protection of the citizen's right to individual freedoms, a

basic part of the concept of democracy. Putting it simply, the connotations of the modern concept of democracy can be summed up as follows:

1. The affirmation that everybody is born equal and that every citizen has rights (human rights) that cannot be infringed on or transferred. The citizen is the master of the state and is not the subject or docile tool of any influential official (no matter whether it is an individual or a clique of a few persons).
2. The affirmation of the principle that sovereignty resides in the people and that all citizens exercise rule by means of the principle of "majority decision." It goes without saying that those citizens who are in the minority still receive the protection of the law and still enjoy all rights of citizens.
3. This kind of rule can only be established by the free approval of all or the majority of citizens, and violence or other coercive and illegal measures cannot be used. From this, through free competition and elections by citizens at regular intervals, the minority can become the majority, and the majority can also become the minority. Everything is decided by the wishes of the voters.
4. All government officials and people's representatives are the people's public servants, and from first to last they are put under the supervision of the people. The head of government and the people's representatives are directly responsible to the voters. If it is discovered that one of them is unable to discharge the responsibilities of his office, he can be recalled at any time through legal procedures.

To practice democracy there must be the following guarantees and, therefore, they are also indispensable components of the democratic system:

1. The citizens have full freedom of speech, freedom of the press, and freedom of information; the citizens can publicly express different political views and criticisms of leaders without suffering persecution or retaliation. (This puts an end to the history of punishment for speech and writing and censorship of the press and information.)
2. Rule by law is strictly practiced, and any form of rule by man is abolished. (This puts an end to the history of rule by man and the substitution of power for law.)
3. Restraints and balances are put on power, and the emergence of absolute power is prevented. In this regard the British historian Lord Acton (1834-1902) came up with an oft-quoted saying in 1887: "Power corrupts, and absolute power corrupts absolutely."
4. Interference by the armed forces in politics is strictly forbidden, and the armed forces must take orders from the head of government. (This puts an end to the history of militarism and military government.)

#### **The "New Authoritarianism" Seeks Temporary Relief Regardless of Consequences**

In brief, only by practicing democracy and providing reliable guarantees for stability and unity can the people fully display their initiative. By pooling the wisdom of everyone, in the process of reform the number of errors can be gradually reduced, and, even if some difficulties and hazards appear, all the people of the country will be happy to tackle them in common. Also, only by practicing democracy can we put a stop to the phenomenon of corruption and truly achieve "honest and upright government," thereby greatly accelerating the process of modernization. Conversely, if, in accordance with the prescription of those who counsel "new authoritarianism," despotic rule is practiced in China, not only will the wheel of history be turned back but temporary relief will also be sought regardless of consequences, once again bringing great calamity and disaster to China. Speaking of individual power, in the 20th century there was that of Hitler from 1933 to 1945, that of Stalin from 1929 to 1953, and that of Mao Zedong from 1955 to 1978. They all brought disaster to the people of Germany, the Soviet Union, and China and even to all mankind, and people have no reason to forget them. Therefore, I advise those persons who are bent on the "new authoritarianism" to take a sober look at the irreversible trends of development in the world and in history, and not to turn their backs on the tide of history and the will of the people; otherwise, it will be difficult for them to avoid becoming persons condemned by history.

#### **Footnotes**

1. See ZHENGZHIXUE YANJIU [POLITICAL STUDIES] No 4, 1988, p 19.
2. See the 7 Nov 1988 SHIJIE JINGJI DAobao.
3. *Collected Works of Einstein*, Vol 3, p 4.

#### **Decade of Reform 'Turning Point' for Journalism, Newspapers**

40050479 Beijing ZHONGGUO JIZHE [THE CHINESE JOURNALIST] in Chinese  
No 3, Mar 89 pp 20-22

[Article by Liang Ruojie 2733 5387 3388: "Eight Special Features That Have Emerged in Chinese Newspapers During the Decade of Reform"]

[Text] The period from 1978 to 1988 marked a decade of reform and opening up in China. It also marked a turning point in China's newspaper industry. It was a period of bringing order out of chaos in journalistic theory and practice, and the result was a flourishing industry. In these 10 years, China's newspaper industry saw rapid and drastic growth; it had never been more active, and its theoretical and practical achievements were far greater than the sum total of what had been

achieved in the 30 years before. Specifically, today we have a large number of papers, there is greater variety, they are more multilevel structurally, and there are many new concepts. Great progress and important breakthroughs have been made in the study of journalistic theories and the exploration of journalistic practices. Manifested in the newspapers, the reporting themes and literary forms, methods, content, patterns, and styles have given the papers all kinds of new looks. I have summed up the main features as follows:

*The first feature: The newspaper's traditional guiding role has changed. The newspaper has become more service oriented, and so the first transformation is that news reporting is no longer voluminous work reports; instead, it focuses on vigorous dissemination of a large variety and quantity of information.*

As the party shifts the focus of its tasks, newspapers have clearly become more service oriented. This kind of service is multifaceted. For example, it provides information on policies, developmental-oriented production, and others. These services are mostly direct and within the newspaper's obligation. There are also indirect services: "To serve many areas and offer many services," is a clearly established journalistic concept and task under the ideological guidance of "serving the people," and "serving the reform and economic construction."

Another viewpoint advocates that while improving the way newspapers guide the people, they should also try to integrate guidance with service. It suggests that guidance and service should complement each other. If there is good guidance, there is good service, and vice versa. Guidance itself is a service.

A decade of press reform proved that emphasizing and enhancing the purpose of newspapers as a service will have a crucial effect on defining the direction of press reform, increasing the social benefits of news propaganda, improving the way the media reflects public opinion, guiding public opinion and its function, and on promoting the prosperity and development of the news industry. Of course, how a newspaper offers its services and how much it offers should vary with individual papers, and each may choose its own emphasis.

*The second feature: Newspapers have come to better understand the apparent extent of unequivocality of public opinion and pay more attention to candor in their reports. Thus, the second change is that newspapers have turned from a closed-minded type of reporting—reporting only the good news and not the bad—to an open type of comprehensive observation and reporting of all events.*

Under the political guiding principle of "letting people know the important matters and discussing important matters with the people," Chinese newspapers have made significant progress in becoming more open and more candid in their political reporting. In the past, they were merely mouthpieces that announced word for word

the promulgation and implementation of specific policies, but today, newspapers deal with facts and reflect the people's opinion and the problems encountered in practice. Newspaper commentaries are going through a transition from one-way transmission, from the top down, to a two-way transmission, from the top down and from the bottom up. Readers who have an interest in government and state affairs can have their views realistically reflected in the newspapers. In the past, the situation in which people wanted to be informed but could not has been rectified in various degrees. In order to keep communications open and to get feedback from readers, many newspapers have columns of "reader-requested coverage" and "reader hotlines." The "impartial" reporting and writing style as a way to bring out the "transparency" [of the news] has become widespread and popular with various newspapers.

But, because there is a close relationship between the degree of candor in reporting the news and in political candor in the government, newspapers cannot and should not "jump the gun." Therefore, how to gauge this "degree" of candidness becomes an issue the journalists are exploring and trying to resolve step by step. The superficial idea that assumes "candor" necessarily means criticism, the biased approach of being candid only about problems and trouble but never candid in reporting the causes and solutions to the people, and the short-sighted behavior whereby one is candid in writing about partial benefits but not about the whole concept is no longer accepted by knowledgeable journalists. Instead, the media wants to get a handle on the whole situation, broaden the vision, act in appropriate measure, proceed in an orderly way and step by step, report skillfully and with impartiality, and actively guide public opinion, policies, and strategies compatible with China's present situation.

*The third feature: Newspapers are consciously pursuing individuality and trying to focus on expressing their respective intrinsic superiority, and so the third change is that the news no longer focuses on the same thing and the same opinion; instead newspapers tend to stress differences and individuality.*

Ten years ago, the newspaper was the most direct and obvious instrument of [the state's] tasks and struggles, and as a result, all newspapers were alike. They either all rushed headlong and raised a storm, or they all affected the same moral tone, and what they achieved was just the opposite of what people, both inside and outside the press circle, wanted. Since reform and opening up, newspapers have begun to reflect, with initial success, that they are multifaceted, service oriented, and covering special local features.

Multifaceted: The difference in a newspaper's level and class and its periodicity makes a difference in its use and handling of XINHUA SHE news items. Newspapers at the central level are national papers, therefore they rely more heavily on XINHUA SHE news, which is mostly



laid out on one page. Party newspapers at the provincial and city levels, besides reporting major party and national events, now have the autonomy to set their own standards as to how use and handle the rest of the XINHUA SHE news, depending on its relevance to local interests. Other trade papers or nondaily papers generally do not use XINHUA SHE news. This way they avoid the old "small newspaper imitating large newspaper" tendency, and at the same time, it leaves more room for local and trade news, thereby shaping their own characteristics.

**Service oriented:** What these newspapers report is determined by the characteristics and scope of service needs. The kind of news and the intended readership are clearly defined and of limited scope. The subject matters the newspapers choose to report have to do mainly with their respective specialized trades; the content may emphasize and is limited to those businesses. The idea is to serve readers in the same trade. At the same time, the newspapers do their best to expand information and knowledge on different trades for the general readership of the entire society. The specific characteristic of the readership of this kind of newspaper is so powerful that the character and the content of these papers are determined by the needs of these specific readers.

**Local characteristics:** The vitality of local papers comes from their local character. People who run this kind of paper already understand this, and therefore engage in full coverage of a reservoir of prevailing superior local situations and create freeform "hotline" activities. But, because of geographic differences and different localized natural conditions, the competition among papers does not start at the same line, therefore different papers pursue different types of local featured news. Each has its own merits and flaws. In the wake of thorough media reform, many journalists in "disadvantaged" localities have finally awakened to the fact that a backward economy does not automatically mean backward news reporting; there is plenty to write about even in a backward economy. Thus, newspapers that pursue local characteristics have not come to a "dead end"; the road ahead is wide open.

*The fourth feature: Newspapers are interfering more in people's daily lives and pay more attention to their supervisory function. The fourth change is: Instead of "many newspapers sharing one voice," newspapers today have "one objective, but many voices."*

Since the 3d Plenary Session of the 11th Party Central Committee, the restrictions of "uniform public opinion" no longer holds. While the media tries to reflect social opinion, and while insisting on objective dissemination of the news and actively effecting positive guidance, newspapers also want to recover their supervisory function. There is more reporting about real life situations; more news articles of an intervening and analytical nature to arouse social responses. The newspapers intend to reflect popular will so as to influence the government's

decisionmaking process and to expose evil conduct so as to promote morality in society. The concepts of newspapers interfering in people's lives and of publishers focusing on being accepted by the public and the concept of newspapers attaching importance to the effect of propaganda have emerged as special characteristics of China's newspapers in the process of building China into a socialist democratic government. We can predict that as soon as the "Media Law" is enacted, the media will not only be constrained but protected by law, but it will also play an even greater guiding role during China's reform and construction.

*The fifth feature: The slant of reporting has been adjusted and more attention is being paid to selecting hot topics. So, as a result, the fifth change becomes: In news reporting, the slant of the reporting has shifted from habitually looking to the higher organs for direction to the need for being accepted by the people.*

As reform and opening up become more intense, Chinese newspapers increasingly try to cover more news, and the so-called forbidden zone has shrunk. Amid competition, the papers are becoming more conscious about getting exclusive news.

In the past 10 years, Chinese newspapers have single-mindedly tried to capture and cover the hot topics, the queries, and the problems of the people, each displaying its own talents. Newspapers are competing among themselves in the areas of special features and overall quality. The force of news editing and reporting is taking shape and growing strong in adapting to the special characteristics unique in the new era of newspaper publishing.

*The sixth feature: Changing newspaper reporting from a superficial recounting of stories to in-depth news analysis. This leads to the sixth change: The quality of the articles is changing from reporting on long and boring general news to more explanatory and analytical reporting.*

Because the newspapers emphasize quality reporting, publishing philosophies of the classification and volume of articles, Chinese newspapers have in recent years increased in greater proportion in-depth reporting characterized by explanations, forecasts, and analyses. This kind of reporting triumphs over the simple approach in which observations and reflections often focus on one side or one key point; it emphasizes the author's ability to observe events in their entirety and reflect matters from many sides. The characteristic of articles is a full expression of an author's conscience (that is, his ability as an observer and commentator to express fairly his views and comments on the right and wrong), making his writings span time and space and generate greater influence and wider impact.

It is only natural that there is more of this kind of reporting, because this is what the people expect and want from the newspaper. As more and more people watch television, the time sensitivity of the news in

newspapers has become correspondingly reduced and weak. People want to read in the newspaper the postnews events and what is missing on television, and, therefore, simple news reporting can only supplement TV pictorials. As a result, the emphasis by newspapers on in-depth reporting has become a superior rising trend in the news media structure.

*The seventh feature: Newspapers are exploring new literary forms and styles and paying attention to the need of practical expression. The seventh characteristic is that the articles are no longer rigid in structure, conforming to a fixed style; instead, they are lively and natural.*

In the last 10 years, Chinese journalists have explored and pondered the meaning, key elements, and scope and structure of the various subjects in journalistic theories. In practice, journalists have substantiated and perfected these theories in a critical way, giving life to styles that had longed been accepted as fixed and adding new styles to existing ones. These explorations and innovations include: 1) Contesting whether all five key elements of the "leading words" [who, what, where, why, and how] have to be there, and proving in practice that journalists can answer partial questions. 2) While continuing to use the "inverted pyramid" in news composition, many news written in prose form has appeared. 3) Some freestyle literary forms, which are neither correspondence nor special feature report nor prose, have appeared in the newspapers and are very well received by the public. 4) A new commentary style characterized by articles bearing the signatures of the commentators seems to be monopolizing all literary acclaims and awards. 5) Typical news reporting styles not found in textbooks, such as "comprehensive coverage," continue to surface, showing even more clearly the effects of the news media in making possible a dichotomy of having meaningful content and acceptance by the public.

In addition, serialized reporting, installment reporting, investigative reporting, and eyewitness news, methods seldom used in the past, have become increasingly popular. These forms and styles are blossoming in newspapers everywhere across the country, flourishing beyond control. Although they are still at an embryonic stage, this new force no doubt adds colorfulness to the reform of the entire news media enterprise.

In the wake of all these are the reflection and transformation of existing journalistic theories by journalists themselves. Everywhere, people research and study the theories. Developments so far have not generated unanimous views and settled disputed issues, but, compared to the stagnation of 10 years ago, a big step has been taken. This is the trial step that brings us closer to a higher level of theories.

*The eighth feature: Bold changes in the appearance of newspapers have been made, with special attention paid to color and artistic appeal of the layout, and so the eighth*

*characteristic is that the traditional look has been changed to a contemporary one, and single-color printing has given way to multicolor printing.*

In the last 10 years, changes in typesetting techniques and page layout in Chinese newspapers have at least kept up with media reform and have developed faster and made more progress in that period than in the first 30 years after the founding of the PRC. This kind of change is especially noticeable in the smaller papers. The main features are:

1. The traditional, rigid techniques are gradually being phased out or transformed. Many "freestyle," "modern flair," and "magazinelike" layout styles and methods have emerged.
2. Besides articles, media products and decorative items have become important tools for the composition editors. They are no longer dispensable or changeable fillers. They add color to the pages.
3. Black and white monochrome is being replaced by polychromatics. Two-tone, three-tone, and color newspapers have appeared, and decorative headings and borders have become an art in themselves.

Besides the above-mentioned three features, many papers have gone a step further. For example, they handle headlines extremely boldly, not afraid of sacrificing room so as to make them more attractive. This is the trend of making newspapers look like magazines.

Other than the editors' innovative ideas, the drastic change in the layout of Chinese newspapers is due to many objective reasons:

One, the wave of reform and opening up: Overseas newspapers, Hong Kong, Macao, and Taiwan papers have changed China's traditional page layout and given it a "marriage of the East and West" look and a "merger of land and sea" style.

Two, the influence of science and technology: As advanced printing techniques become available and more popular, the old one-man-show kind of typesetting is being absorbed into the printing family of computers, laser print, and color films. Printing techniques are being upgraded; this inevitably leads to a corresponding change in the layout of the printed pages, although this improvement process has not peaked after a decade.

Three, unleashed creativity: In the past, even the editorial departments had no say about what news to report; it was not even up to them to decide where to put an article. In addition, there were indigenous practices and customs and unspoken rules and regulations that hamstrung the editors; all new ideas were suppressed. As soon as the reform abolished this kind of restriction,

which is against journalistic practices and which represses editorial ideas, the wisdom and creativity of journalists simply burst forth.

These eight special features hardly reflect the achievements of the decade-old reform, but they at least reflect the characteristics of today's newspapers.

**Profile of Country's First Private Film Producer**  
OW2506051789 Beijing XINHUA in English  
0143 GMT 24 Jun 89

[Text] Nanchang, June 23 (XINHUA)—When Zhang Gang took the risk of opening his own film studio four years ago, he was laughed at by some people who said he was "a toad lusting after a swan's flesh"—having aspirations far above his abilities.

But now, in the eyes of people in film and TV circles, the 56-year-old Zhang is a rising star, China's first private independent film producer.

Founded in 1985, his organization—the Nanchang Film and Television Creation Institute—assumes sole responsibility for its profits or losses, and has turned out eight feature films and 15 television plays, setting a record in China's film and TV production history.

These films, mainly comedies, are cheap to make but very popular, he said.

According to statistics, by the end of last year the cost of shooting averaged 900,000 yuan (about 243,000 U.S. dollars) per film nationwide, but Zhang's private studio needed only 700,000 yuan to shoot a film.

Liu Rende, chairman of the Jiangxi Provincial Film Association, said, "The films produced by Zhang Gang have not yet reached the first grade. However, he knows what the people want and his work is improving all the time."

Born to a working family of Manchu nationality in northeast China, Zhang joined an army art troupe in his childhood and worked as an actor and playwright-director in the Jiangxi Provincial Modern Drama Troupe following his demobilization in the 1950s.

Zhang put his philosophy this way: "I am infatuated with comedy and regard art as part of my life. I will take all risks to pursue it."

In 1985, when China called on enterprises—including those in the culture field—to become more competitive and efficient Zhang took the lead in the film world by setting up his own film studio.

"The reason I set up my organization was that the present film setup suffers from organizational overlapping and overstaffing, and has stifled people's talent," he said.

Starting with bank loans totalling 350,000 yuan (about 95,000 U.S. dollars), Zhang has produced eight feature films and 15 TV plays since 1985.

One of his films titled, *A Husband's Secret* depicts how a mild young man is prompted by his kind-heartedness and responsibility as a citizen to voluntarily help keep social order.

This film was produced in co-operation with the Zhujiang Film Studio in Guangdong Province. With such co-operation, Zhang was allowed to work under the name of the state film studio, which has the right to make films. Zhang and the studio obtained a net profit of 750,000 yuan by distributing 117 copies.

Overjoyed with this success, Zhang has since then turned out two comedy films a year in co-operation with other state film studios.

Claiming to be a "disciple of Charlie Chaplin," Zhang has turned out nine comedy films in succession.

A film critic commented that most successful comedy films depict negative characters. But the films produced by Zhang depict positive, decent persons. "This is very rare," he added.

The hero of one of Zhang's most successful comedies, *Tears of Laughter* is a comedian and a playwright-director who was so infatuated with comedies that he experienced all kinds of hardships and difficulties during the ten-year chaos of the "Cultural Revolution." The hero, "Aman," finally achieves success.

In 1980 Zhang turned out Jiangxi Province's first TV series and now he is co-operating with the Fujian Provincial Television Station in shooting China's longest TV drama series, *Strange Tales From Liaozhai*, a collection of several hundred popular fantasy stories written by Pu Songling (1640-1715).

While striving to raise the quality of films, he continuously improves economic management. His institute has only 25 employees, each of whom is "expert in one thing and good at many."

His institute has paid back all the loans borrowed from the bank over the past four years, and spent 230,000 yuan on shooting the 80-episode series, *Strange Tales From Liaozhai* and 100,000 yuan on purchasing equipment.

According to Zhang, his institute has grown without asking for a penny from the state and used almost all its income to expand production.

Skilled in playwriting, directing and acting, Zhang is optimistic about the future of comedies and is soon to shoot his tenth film.

**Ministries To Draft Legislation on Literature, Arts**

*OW2206001689 Beijing XINHUA in English  
0711 GMT 21 Jun 89*

[Text] Beijing, June 21 (XINHUA)—China is to speed up its legislation on literature and arts, as well as film-making and broadcasting in a bid to further promote the country's culture and improve the flow of cultural articles.

Sources from the Ministry of Culture said that the ministry's 1989 plan for such legislation included 25 new laws and regulations.

To date, most of the laws and regulations to be examined by the State Council have been submitted to that body or drafted. These include a set of regulations on awarding literature and art prizes, and regulations concerning the work of public cultural centers.

A number of these regulations, such as the Provisional Regulations for the Implementation of the Cultural Relic Protection Law, still need to be revised or improved, sources said.

This year, the ministry will finish legislative items left over from last year and work on 13 new laws and regulations. These include regulations on the administration of artistic troupes, on the administration of profit-oriented performances and on agents.

In the spheres of broadcasting, film and television, the Ministry of Radio, Film and Television is expected to finish the drafting and revision of several sets of regulations including some on the copyright of broadcast programs, on TV program copyright and on examination of films.

The regulations on the administration of audio-visual works and on the administration of cable television, which have already been submitted to the State Council for approval, are expected to be issued this year.

According to the legislation schedule for the Seventh Five-Year Plan period (1986-1990), the two ministries will concentrate on the drafting of a number of important laws including ones on investment in cultural undertakings, libraries, museums, literature and art, broadcasting and television, and on films in the next two or three years.

## NORTHEAST REGION

### Heilongjiang County Completes Education System

OW1606141789 Beijing XINHUA in English  
0731 GMT 16 Jun 89

[Text] Harbin, June 16 (XINHUA)—The Mongolian Autonomous County of Dorbod in northeast China's Heilongjiang Province has completed its national education system.

The county has established 6 kindergartens, 54 primary schools, and 2 middle schools for children of the Mongolian minority.

The county has spent 4.5 million yuan on education in the past few years to build and repair schools, and train Mongolian teachers.

The quality of education has also been greatly improved. The graduation rate of Mongolian primary school students has been raised from 73.2 percent in 1984 to 95.2 percent this year, and that of middle school students has been raised from 3.8 percent to 50.5 percent.

### Jilin Party Meeting Promotes Honesty in Performance

SK1906133389 Changchun Jilin Provincial Service  
in Mandarin 2100 GMT 18 Jun 89

[Excerpt] On 17 June, the standing committee of the provincial party committee held an enlarged meeting to particularly study and discuss the issue of honesty in the performance of official duties. It called for efforts to regard honesty in the performance of official duties as a major task, manage the party strictly, set strict demands, attach importance to actual results, strengthen leadership, clearly define the responsibilities to make every level responsible for its next lower level, and create a good microclimate throughout the province.

Attending the meeting were leading comrades of the provincial advisory commission, people's congress, government, committee of the Chinese People's Political Consultative Conference, and discipline inspection commission. Responsible comrades of various relevant provincial departments attended as observers.

Participants at the meeting first heard reports of various localities on their efforts to maintain honesty after convocation of the provincial forum on establishing systems for maintaining honesty in official duty performance. After analyzing and studying the current situation and existing problems, they pointed out: Stepping up efforts to maintain honesty in official duty performance, eliminate corrupt phenomena, and punish official speculation is a demand set by our party itself, and is totally correct. It has also won the support of the masses. Judging from experiences in previous work, to maintain honesty in official duty performance, we should persist in conducting ideological education, establishing

necessary systems, and investigating and handling cases simultaneously, and adopt economic, legal, administrative and disciplinary means as well as ideological and political work to prevent dishonesty before punishment is meted out. We should first enhance leading cadres' understanding of the work to maintain honesty in official duty performance. We should never regard the struggle against corruption as a nonessential task. Top leaders should personally pay attention to it and should be held responsible if they fail to carry it out successfully. They should not neglect it on the excuse of being busy with their professional work. Instead, they should attend to it as they attend to production and other professional work. They should also set specific demands, make arrangements, and conduct inspections of it, and see to it that the task is fulfilled. Whether one is honest or not is not an issue concerning the departments in charge of personnel, finance and materials alone. [words indistinct] and all departments should pay attention to it.

It was agreed at the meeting: To manage the province strictly, leading organs, leading cadres, and various departments should take the lead and set strict demands on themselves instead of being swayed by considerations of gain and loss, and [words indistinct]. We should conscientiously study the guidelines of Comrade Deng Xiaoping's speech and carry forward the spirit of plain living, arduous struggle, and building up the country through thrift and hard work. We should conduct ideological education on honesty in official duty performance and on development of the party's fine traditions in the entire society, give full play to the role of mass media, propaganda, and education tools, and conduct education to create certain images through negative and positive examples to advocate healthy trends and establish powerful public opinion so that the entire society will feel honored to be honest and ashamed to be dishonest and take the initiative in combatting numerous corrupt phenomena. [passage omitted]

### Liaoning Leaders Praise Security Cadres

SK1906034689 Shenyang Liaoning Provincial Service  
in Mandarin 2200 GMT 17 Jun 89

[Text] On the morning of 17 June, leading comrades of the provincial party committee, the provincial People's Congress Standing Committee, and the provincial government went to the provincial armed police force, the provincial public security department, and the Shenyang City Public Security Bureau; and called on armed police officers and men and public security cadres and policemen there.

Leading comrades [words indistinct] and men and public security cadres and policemen played a key role in the struggle against the disturbances in our province; praised them for their outstanding contributions to stabilizing Shenyang, the capital of the province, and the whole

situation in the province; and encouraged them to make persistent efforts and to further make new contributions to stabilizing the situation characterized by stability and unity.

The visiting team includes Wang Julu, deputy secretary of the provincial party committee; Chen Suzhi, member of the Standing Committee of the provincial party committee and vice governor of the province; Zhang Tiejun,

Zhang Zhiyuan, Zuo Kun, and Cheng Jinxiang, vice chairmen of the provincial People's Congress Standing Committee; and some members of the provincial People's Congress Standing Committee. The leading comrades also visited the cadres and policemen of Shenyang's (Shenhe) district public security subbureau and of the Shenyang railway public security subbureau who worked day and night to ensure that key railway lines were unblocked.